

**ANNOUNCEMENT OF FEDERAL FUNDING OPPORTUNITY**

**MINORITY BUSINESS ENTERPRISE CENTER PROGRAM**

EXECUTIVE SUMMARY

- **Federal Agency Name(s):** Minority Business Development Agency (MBDA), Department Of Commerce
- **Funding Opportunity Title:** Minority Business Enterprise Center (MBEC) Program.
- **Announcement Type:** Initial Announcement
- **Catalog of Federal Domestic Assistance (CFDA):** 11.800, Minority Business Enterprise Center Program (formerly Minority Business Development Center Program)
- **Funding Opportunity Description:** In accordance with Executive Order 11625 and 15 U.S.C. § 1512, MBDA is soliciting competitive applications from eligible organizations to operate a Minority Business Enterprise Center (MBEC) in the following location and geographical service area:

Name of MBEC	Location of MBEC	MBEC Geographical Service Area**
Houston MBEC	Houston, TX	Houston-Sugar Land-Baytown, TX MSA**

\*\* Metropolitan Statistical Area, please see OMB Bulletin No.08-01, Update of Statistical Area Definitions and Guidance on Their Uses (November 20, 2007) at <http://www.whitehouse.gov/omb/bulletins>.

MBDA currently funds a network of 33 MBEC projects located across the United States. Each MBEC leverages project staff and professional consultants to provide a wide-range of direct business assistance services to eligible minority-owned firms. MBEC services include, but are not limited to, initial consultations and assessments, business technical assistance and access to federal and non-federal procurement and financing opportunities. Specific performance requirements and metrics are used by MBDA to evaluate each project and are a key component of the MBEC program. *See* Section I.C., Program Work Requirements and Section I.E., Minimum Performance Goals, of this Announcement of Federal Funding Opportunity (FFO) for applicable programmatic requirements.

For-profit entities (including sole proprietorships, partnerships and corporations), non-profit organizations, state and local government entities, American Indian Tribes and educational institutions are eligible to operate MBECs.

The total award period for the Houston MBEC project is expected to be three (3) years and to cover the period of January 1, 2009 – December 31, 2011. The total amount of the award for this project, including the minimum 20% non-federal cost share, is anticipated to be \$363,750 for each of the three funding periods under the award (January 1, 2009 – December 31, 2009, January 1, 2010 – December 31, 2010, and January 1, 2011 – December 31, 2011, respectively). The project will initially be funded for the first funding period and will not have to compete for funding for the second or third funding periods. However, operators that fail to achieve a “Satisfactory” or better performance rating during for the current funding period may be denied funding for subsequent funding periods. Funding for the program listed in this notice is contingent upon the availability of Fiscal Year (FY) 2009 appropriations. MBDA is issuing this notice subject to the appropriations made available under the current continuing resolution. *See* Section II.A., Funding Availability, Award Period and Renewals, for additional funding information.

**In order to receive consideration under this competitive solicitation, applicants must comply with all information and requirements contained in this FFO. NOTE: This is not a grant program to help start a business. Applications submitted must be to operate a MBEC and to provide business consultation to eligible minority-owned firms as set forth in this FFO. Applications which do not meet these requirements will be rejected. It is the sole responsibility of the applicant to ensure that applications are complete and timely received by MBDA.**

- **Dates:** The closing date for receipt of applications is **November 7, 2008 at 5:00 p.m. Eastern Standard Time (EST)**. To be considered timely: (i) paper applications must be received by the MBDA representative at the address set forth in Section IV.D., Addresses for Application Submissions, by the closing date and time; or (ii) electronic applications must be transmitted and time-stamped at [www.Grants.gov](http://www.Grants.gov) by the closing date and time. Applications received after the closing date and time will not be considered. Anticipated time for processing awards is forty-five (45) days from the closing date for receipt of applications. MBDA anticipates that the Houston MBEC award will be made with a start date of January 1, 2009.
- **Application Submission and Evaluation:** Applications may be submitted in paper format to MBDA Headquarters in Washington, D.C. or may be submitted electronically through [www.grants.gov](http://www.grants.gov). *Applicants are highly encouraged to submit their applications electronically.* *See* Section IV., Application and Submission Information, and Section V., Application Review Information, for detailed information.
- **Pre-Application Conference:** In connection with this competitive solicitation, a pre-application teleconference will be held on **October 21, 2008 at 1:00 pm Eastern Daylight Time (EDT)**. Interested persons may participate in-person or by telephone. Advance registration is required by all participants. *See* Section IV.E., Pre-Application Conference, for advance registration requirements.

- **Contacts and Additional Information:** Please refer to Section VII., Agency Contacts, for MBDA points of contact. For further information and to view sample application information on the MBEC Program, please visit MBDA's Minority Business Internet Portal at [www.mbda.gov](http://www.mbda.gov).

## TABLE OF CONTENTS

<u>Full Announcement Text</u>	p.7
<u>I. Funding Opportunity Description</u>	
A. Introduction	p.7
B. Program Objectives	p.8
C. Program Work Requirements	p.8
D. Program Performance Measures and Performance Ratings	p.10
1. Performance Measures	p.10
2. Performance Ratings	p.10
E. Minimum Performance Goals	p.12
F. Information Technology and Computer Requirements	p.12
G. Funding Priorities	p.12
<u>II. Award Information</u>	
A. Funding Availability, Award Period and Renewals	p.13
B. Type of Funding Instrument	p.14
C. MBDA Involvement	p.14
1. Post-Award Conference	p.14
2. Training	p.15
3. Network, Tools and Information Exchange	p.15
4. Project Support	p.15
5. Project Monitoring and Advisement	p.16
<u>III. Eligibility Information</u>	
A. Eligible Applicants	p.17
B. Non-Federal Cost Sharing Requirements	p.17
<u>IV. Application and Submission Information</u>	
A. Address to Request Application Package	p.18
B. Content and Form of Application	p.18
1. General Requirements	p.18
2. Paper Submission	p.19
3. Electronic Submission	p.19
C. Submission Deadline	p.19
D. Addresses for Application Submissions	p.20
1. Paper Submission – If Mailed	p.20
2. Paper Submission – If Hand-Delivered	p.20
E. Pre-Application Conference	p.21
F. Intergovernmental Review	p.21
G. Funding Restrictions	p.21
1. Profit or Fee	p.21

2. Indirect Costs	p.21
<b>V. <u>Application Review Information</u></b>	
A. In General	p.22
B. Evaluation Criterion Selection Process	p.22
<b>VI. <u>Award Administration Information</u></b>	
A. Award Notices	p.22
B. Unsuccessful Competition	p.23
C. Administrative and National Policy Requirements	p.23
D. Reporting	p.23
E. Past Performance and Non-Compliance with Award Provisions	p.23
<b>VII. <u>Agency Contacts</u></b>	p.24
<b>VIII. <u>Other Information</u></b>	
A. Limitation of Liability	p.24
B. Audit Costs	p.24
C. Freedom of Information Act Disclosure	p.25

## **APPENDICES**

### **Appendix A: Work and Training Requirements**

A. Establishment of Office	p.26
B. Training	p.27
1. MBEC Post-Award Conference	p.27
2. MBEC Program Review and Orientation	p.27
3. Implementing a System for High-Quality Service	p.28
4. Performance System Orientation	p.28
5. MBDA National Conference	p.28
6. MED Week – National Enterprise Center (NEC)	p.28
7. MED Week – National	p.29
8. Coaching Program	p.29
C. MBEC Work Elements	p.29
1. Market Development	p.29
2. Client Services	p.32
3. Operational Quality	p.35

### **Appendix B: Performance Measures and Related Definitions**

A. Performance Measures and Bonus Points	p.37
B. Definitions	p.39

1. Dollar Value of Awarded Financial Transactions	p.39
2. Dollar Value of Awarded Contracts and Procurements	p.39
3. Increase in Sales	p.39
4. Number of Jobs Created	p.40
5. Number of New Clients	p.40
6. Administrative Management and Operational Quality	p.40
7. Performance Bonus	p.42

Appendix C: Information Technology and Computer Requirements

A. Network Design	p.44
B. Desktop Workstations	p.45
C. Maintenance and Security	p.45
D. Web Site	p.45
E. Time for Compliance Regarding IT Requirements	p.47
F. Performance System	p.47
G. Data Integrity	p.47

Appendix D: Content and Form of Application

A. Cover Page	p.48
B. Table of Contents	p.48
C. Program Narrative	p.48
1. Applicant Capability	p.48
2. Resources	p.49
3. Techniques and Methodologies	p.49
4. Proposed Budget and Budget Narrative	p.50
D. Standard Forms	p.51
E. Department of Commerce Forms	p.52
F. Application Submission Checklist	p.52

Appendix E: Evaluation Criterion and Selection Procedures

A. Evaluation Criterion	p.53
1. Applicant Capability	p.53
2. Resources	p.54
3. Techniques and Methodologies	p.54
4. Proposed Budget and Budget Narrative	p.55
5. Oral Presentation – Optional	p.56
B. Review and Selection Procedures	p.56
1. Initial Screening	p.56
2. Panel Review	p.56
3. Oral Presentation - Upon MBDA Request	p.57
4. Final Recommendation	p.57

## FULL ANNOUNCEMENT TEXT

### I. Funding Opportunity Description

#### A. Introduction

In accordance with Executive Order 11625 and 15 U.S.C. § 1512, MBDA is soliciting competitive applications from eligible organizations to operate a Minority Business Enterprise Center (MBEC) in the following geographical service areas:

Name of MBEC	Location of MBEC	MBEC Geographical Service Area**
Houston MBEC	Houston, TX	Houston-Sugar Land-Baytown, TX MSA**

\*\* Metropolitan Statistical Area, please see OMB Bulletin No.08-01, Update of Statistical Area Definitions and Guidance on Their Uses (November 20, 2007) at <http://www.whitehouse.gov/omb/bulletins>.

Note: Pursuant to a grant competition held in 2006, MBDA made a three (3) year award for the operation of the Houston MBEC project for the period of January 1, 2007 – December 31, 2009. *See* 71 FR 42352. However, the incumbent operator of the Houston MBEC intends to terminate the current award for the Houston MBEC project as of December 31, 2008. The purpose of this competition is to find an operator for the Houston MBEC project as MBDA intends to maintain delivery of program services in this geographical area. The new award for the Houston MBEC project is expected to be made with a three (3) year award of January 1, 2009 – December 31, 2011.

A MBEC operator must provide services to eligible clients within the specified geographical service area. In some cases, the geographical distance may be cost-prohibitive for the MBEC to conduct in-person meetings with clients. MBDA anticipates the MBEC would provide, to the best of its abilities, services to those firms beyond a reasonable distance through virtual communications, including but not limited to telephone, email and facsimile. Service to eligible clients outside of an operator's specified service area may be requested, on a case-by-case basis, through the appropriate MBDA Regional Director and approved by the Grants Officer.

The MBEC Program requires MBEC staff to provide standardized business assistance services to minority firms with \$500,000 or more in annual revenues and/or “rapid-growth potential” minority businesses (“Strategic Growth Initiative” or “SGI” firms) directly; to develop a network of strategic partnerships; and to provide strategic business consulting. This is a fee for service program, therefore, the MBEC is required to charge client fees. These requirements will be used to generate increased results with respect to financing and contracts awarded to minority-owned firms and thus, are a key component of this program.

The MBEC Program will concentrate on serving SGI firms capable of generating significant employment and long-term economic growth. The MBEC program shall continue to leverage telecommunications technology, including the Internet, and a variety of online/computer-based resources to dramatically increase the level of service that the MBEC can provide to minority-owned firms.

## **B. Program Objectives**

MBDA is the only Federal agency created specifically to foster the establishment and growth of minority business enterprises (MBEs). MBDA actively promotes the strategic growth and expansion of MBEs by offering management and technical assistance through a nationwide network of over 40 business enterprise and opportunity centers.

The Agency's long term goal of achieving entrepreneurial parity for MBEs is the benchmark by which MBDA's critical Federal government role will be measured. A new paradigm for minority business development requires that the public and private sectors expand their present focus on outreach, certification and dollars spent to include enabling MBEs to achieve size, scale and scope, and access to technology and capital. Minority business development services must therefore be designed to create sustainable business values, which will translate into entrepreneurial parity and strategic growth through increased gross receipts, number of employees, and size and scale of firms associated with MBEs.

The MBEC Program is a key component of MBDA's overall business development assistance program and promotes the growth and competitiveness of "eligible minority-owned businesses." For this purpose, businesses that are owned or controlled by the following persons or groups of persons are eligible to receive business assistance services under the MBEC Program: African Americans, Puerto Ricans, Spanish-speaking Americans, Asian and Pacific Islander Americans, Native Americans (including Alaska Natives, Alaska Native Corporations and tribal entities), Eskimos, Aleuts, Asian Indians, and Hasidic Jews. *See* 15 CFR § 1400.1 and Executive Order 11625.

## **C. Program Work Requirements**

The MBEC Program generally requires project staff to provide standardized business assistance services directly to "eligible minority owned firms," with an emphasis on those firms with \$500,000 or more in annual revenues and/or those eligible firms with "rapid growth potential" ("Strategic Growth Initiative" or "SGI" firms); to develop and maintain a network of strategic partnerships; to provide collaborative consulting services with MBDA and other MBDA funded programs and strategic partners; and to provide referral services (as necessary) for client transactions. MBEC operators will assist eligible minority-owned firms in accessing federal and non-federal contracting and financing opportunities that result in demonstrable client outcomes.

The MBEC Program incorporates an entrepreneurial approach to building market stability and improving the quality of client services. This entrepreneurial strategy expands the reach of the MBECs by requiring project operators to develop and build

upon strategic alliances with public and private sector partners as a means of serving minority-owned firms within each MBEC's geographical service area. The MBEC Program is also designed to effectively leverage MBDA resources, including but not limited to: MBDA Office of Business Development and MBDA National Enterprise Centers; MBDA's Business Internet Portal; and MBDA's nationwide network of MBECs, Native American Business Enterprise Centers (NABECs) and Minority Business Opportunity Centers (MBOCs). MBEC operators are also required to attend a variety of MBDA training programs designed to increase operational efficiencies and the provision of value-added client services.

MBEC operators are generally required to provide the following four (4) client services:

1. Client Assessment- This activity requires the MBEC to conduct a standardized client assessment, which includes identifying the client's immediate and long-term needs, and establishes a projected growth track. MBDA shall provide an electronic tool to support this function. This activity shall be conducted at the onset of service delivery. This process may also include referring the client to any of MBDA's other funded projects that specialize in specific growth assistance and/or strategic partners that are capable of continuing client growth. The referral process may occur in conjunction with MBEC direct assistance.

2. Strategic Business Consulting – This involves providing intensive business consulting services that can be delivered by two methods

Personalized Consulting – defined as one-on-one business consulting services utilizing an integrative systems approach to foster the growth of minority firms; and

Group Consulting - seminars that provide education and training to minority entrepreneurs on important business topics. The consulting should be hands-on, practical, and streamlined in order to reflect the time constraints of the typical entrepreneur. In addition, given the proliferation of online resources from MBDA as well as others, this training should be designed to educate clients in the use of the Agency's electronic business assistance tools and in the use of electronic commerce generally to better access suppliers, customers and information.

3. Access to Capital – This involves assisting clients to secure the financial capital necessary to start-up, and thereafter to fuel growth and expansion of their businesses. Undercapitalization has been a major contributor to the failure of business ventures in the minority community over the years. The goal of this activity is to help the entrepreneur obtain the amount of financing appropriate to the scope of the proposed business, thereby helping to ensure the greatest likelihood of success for the client in the marketplace.

4. Access to Markets – This involves assisting clients to identify and access opportunities for increased sales and revenue. Activities include conducting market analysis, identifying sales leads, bid preparation assistance, creating market promotions, and assisting in the development of joint ventures and strategic alliances.

In addition, over the past several years MBDA has developed a variety of new technology tools designed to leverage the benefits of information technology to assist the minority business community. The Agency uses a high-speed network strategy that links all of its funded projects into a single virtual organization. The goal of MBDA is to allow all funded projects to have access to this technology through the MBDA Business Portal ([www.mbda.gov](http://www.mbda.gov)). See Section II.C.3., Network, Tools and Information Exchange, for a sampling of the technologies and business tools available to support the MBEC Program.

**See Appendix A, Work and Training Requirements, for the full range of work and training requirements under the MBEC Program.**

#### **D. Program Performance Measures and Performance Ratings**

##### **1. Performance Measures**

The program performance of each MBEC is evaluated by MBDA based on specific performance elements, which are assigned weighted values. MBEC operators will be awarded points with respect to each performance element through defined work activities that lead to successful client outcomes. Specifically, performance points will be awarded by MBDA in proportion to the operator’s satisfaction of the performance goals set forth in the application and incorporated into the terms and condition of the award.

**See Appendix B, Performance Measures and Related Definitions, for a listing of the MBEC performance measures and related definitions.**

##### **2. Performance Ratings**

The MBEC operator will be assigned a performance rating by MBDA for each of the three funding periods based on the below rating system and is expected to achieve an overall “Satisfactory” (or better) performance rating for each funding period.

MBEC performance for the first funding period will be based on the following rating system:

<b>PERFORMANCE RATINGS FIRST FUNDING PERIOD (January 1, 2009 – December 31, 2009)</b>		
<b>Minimum Required Percent of Goals Needed</b>	<b>Minimum Required Points Needed for</b>	<b>Rating Categories</b>

<b>for Each Rating Category</b>	<b>Each Rating Category</b>	<b>Rating Category</b>
100.0% and above*	100.0** & above	Outstanding
At least 92.8%	92.8 – 99.9	Commendable
At least 85.4%	85.4 – 92.7	Good
At least 78.0%	78.0 – 85.3	Satisfactory
Below 78.0%	Below 78.0	Unsatisfactory
*Not to exceed 113.3%		
**Not to exceed 113.3 Points		

MBEC performance for the second funding period will be based on the following rating system:

<b>PERFORMANCE RATINGS SECOND FUNDING PERIOD (January 1, 2010 – December 31, 2010)</b>		
<b>Minimum Required Percent of Goals Needed for Each Rating Category</b>	<b>Minimum Required Points Needed for Each Rating Category</b>	<b>Rating Categories Rating Category</b>
100.0% and above*	100.0** & above	Outstanding
At least 93.4%	93.4 – 99.9	Commendable
At least 86.7%	86.7 – 93.3	Good
At least 80.0%	80.0 – 86.6	Satisfactory
Below 80.0%	Below 80.0	Unsatisfactory
*Not to exceed 113.3%		
**Not to exceed 113.3 Points		

MBEC performance for the third funding period will be based on the following rating system:

<b>PERFORMANCE RATINGS THIRD FUNDING PERIOD (January 1, 2011 – December 31, 2011)</b>		
<b>Minimum Required Percent of Goals Needed for Each Rating Category</b>	<b>Minimum Required Points Needed for Each Rating Category</b>	<b>Rating Categories Rating Category</b>
100.0% and above*	100.0** & above	Outstanding
At least 95.1%	95.1 – 99.9	Commendable
At least 90.1%	90.1 – 95.0	Good
At least 85.0%	85.0 – 90.0	Satisfactory
Below 85.0%	Below 85.0	Unsatisfactory
*Not to exceed 110%		
**Not to exceed 110 Points		

### **E. Minimum Performance Goals**

The below table provides the minimum performance requirements for the Houston MBEC project for each of the three funding periods under the award. Applicants must propose performance goals for the funding period (and in each category) that equal or exceed the performance goals listed below.

While applicants are encouraged to propose performance goals in excess of the minimum requirements, such goals will be incorporated into the MBDA award and will thereafter constitute the MBEC operator's minimum performance requirements. Thus, applicants should carefully consider the feasibility of performance goals proposed in the application.

	<b>Houston MBEC (Jan. 1- Dec. 31, 2009)</b>	<b>Houston MBEC (Jan. 1- Dec. 31, 2010)</b>	<b>Houston MBEC (Jan. 1- Dec. 31, 2011)</b>
Dollar value of Awarded Contracts & Procurements	\$15,130,000	\$15,130,000	\$15,130,000
Dollar value of Awarded Financial Transactions	\$10,086,500	\$10,086,500	\$10,086,500
Increase in Sales	\$1,327,000	\$1,327,000	\$1,327,000
Number of Jobs Created	58	58	58
Number of New Clients	113	113	113
Resource Entries	190	190	190
Partnerships	5	5	5
Facilitated Matches	4	4	4

### **F. Information Technology and Computer Requirements**

MBDA requires that all operators meet certain requirements relating to the acquisition, installation, configuration, maintenance and security of information technology (IT) assets in order to ensure seamless and productive interface between and among all grant recipients, minority-owned businesses, the MBDA Federal IT system and the public. The basic components of the required IT enterprise system are the desktop workstations, the server, local area network (LAN) components and a connection to the Internet.

***See Appendix C, Information Technology and Computer Requirements, for a listing of the required information technology assets and their required configuration.***

### **G. Funding Priorities**

Preference may be given during the selection process to applications which address the following MBDA funding priorities:

1. Proposals that include performance goals that exceed by 10% or more the minimum performance goal requirements in the FFO;

2. Applicants who demonstrate an exceptional ability to identify and work towards the elimination of barriers which limit the access of minority businesses to markets and capital;
3. Applicants who demonstrate an exceptional ability to identify and work with minority firms seeking to obtain large-scale contracts and/or insertion into supply chains with institutional customers;
4. Proposals that take a regional approach in providing services to eligible clients; or
5. Proposals from applicants with pre-existing or established operations in the identified geographic service area.

## **II. Award Information**

### **A. Funding Availability, Award Period and Renewals**

MBDA anticipates that approximately \$291,000 will be available in each of FYs 2009 - 2011 to fund the financial assistance award for the Houston MBEC project. The total award period for the project is anticipated to be three (3) years and to cover the period January 1, 2009 – December 31, 2011. The anticipated amount of the financial assistance award for this project, including the minimum 20% non-federal cost share, is set forth in the below table (the actual award amount may vary depending on the availability of appropriated funds and on MBDA and Department of Commerce priorities). MBEC funding levels are generally based on the size and ranking of the minority firms as established by MBDA and U.S. Census Bureau data and other available research and data.

Applicants must submit project plans and budgets for each of the three (3) funding periods under this award (January 1 – December 31, 2009, January 1 - December 31, 2010 and January 1, - December 31, 2011). Projects will initially be funded for the first funding period and will not have to compete for funding in the second and third funding periods. However, operators that fail to achieve a “Satisfactory” or better performance rating for the current funding period may be denied funding for subsequent funding periods. Recommendations for funding for subsequent funding periods are generally evaluated by MBDA based on a “Satisfactory” or better mid-year program performance rating (i.e., January 1, 20xx – June 30, 20xx) and/or a combination of a mid-year and cumulative third-quarter (i.e., January 1, 20xx – September 30, 20xx) “Satisfactory” or better performance rating for the current funding period. In making such funding recommendations, MBDA and the Department of Commerce will consider the facts and circumstances of each case, such as but not limited to market conditions, most recent performance of the operator and other mitigating circumstances.

Funding for the program listed in this notice is contingent upon the availability of FY 2009 appropriations. MBDA issues this notice subject to the appropriations made available under the current continuing resolution, H.R. 2638, “Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009,” Public Law 110-329. In no event will MBDA or the Department of Commerce be responsible for proposal preparation costs if this program fails to receive funding or is cancelled because of other

Department of Commerce or MBDA priorities. All funding periods under the award are subject to the availability of funds to support the continuation of the project. Publication of this FFO does not obligate the Department of Commerce or MBDA to award any specific cooperative agreement or to obligate all or any part of available funds.

The maximum Federal funding amount and minimum non-federal matching share for the Houston MBEC project for each funding period is set forth in the below table.

**NOTE: The MBEC Program requires a minimum non-federal cost share of 20%, which must be reflected in the proposed project budget and supporting documentation.** See Section III.B., Non-Federal Cost Sharing Requirements, and the proposed budget and budget narrative requirements set forth in Appendix D., Section C.4., Proposed Budget and Budget Narrative, for additional information.

Project Name	January 1, 2009 through December 31, 2009			January 1, 2010 through December 31, 2010			January 1, 2011 through December 31, 2011		
	Total Cost (\$)	Federal Share (\$)	Non-Federal Share (\$) (20% min.)	Total Cost (\$)	Federal Share (\$)	Non-Federal Share (\$) (20% min.)	Total Cost (\$)	Federal Share (\$)	Non-Federal Share (\$) (10% min.)
Houston MBEC	\$363,750	\$291,000	\$72,500	\$363,750	\$291,000	\$72,500	\$363,750	\$291,000	\$72,500

**B. Type of Funding Instrument**

Financial assistance awards in the form of cooperative agreements will be used to fund the MBEC Program.

**C. MBDA Involvement**

MBDA shall maintain substantial involvement with the project operator throughout the award period. MBDA will perform the following duties to further the objectives of the MBEC Program:

**1. Post-Award Conference**

MBDA shall conduct a mandatory post-award conference for the new MBEC award to help ensure that the MBEC operator has a clear understanding of the program and its components. During the post-award conference, MBDA will provide an MBDA Directory of Business Resources; orient MBEC program officers; explain program reporting requirements and procedures; identify available resources that can enhance the capabilities of the MBEC; and provide detailed information about MBDA's Business Internet Portal and other information systems.

## 2. Training

MBDA shall conduct various qualitative training sessions for the MBEC staff (subject to the availability of fund and training resources). The training sessions are mandatory (except where otherwise indicated and are designed in large part to improve communications, understandings, client service delivery, performance and reporting.

The MBEC training requirements are set forth in Appendix A., Work and Training Requirements. The MBEC applicant is required to allocate appropriate personnel and funds to support all training programs (as noted).

## 3. Network, Tools and Information Exchange

MBDA shall provide access through its Business Internet Portal ([www.mbda.gov](http://www.mbda.gov)) to various technologies and business development tools intended to help streamline the process of delivery of client services are to promote the consistency of services provided by operators throughout the MBDA network of funded projects. MBDA strongly encourages the use regular use of these tools, which include but are not limited to the following:

- Business Needs Analyzer – a software system designed to standardize and electronically record the *Client Assessment* process. This tool assists MBEC consultants to interview and benchmark the status, needs and potential growth of its clients. The program is designed and maintained by MBDA and operated by the MBEC.
- Phoenix/Opportunity – an electronic bid and supplier matching system that alerts participating minority-owned firms of contract and teaming opportunities directly via e-mail. Procurement leads are transmitted to registered firms on a targeted basis according to the company's industry classification and geographic market.
- Resource Locator – a software application that allows MBEs to search for business resources interactively on the Internet. Resource Locator can help minority-owned firms identify trade associations representing their industries, government licensing and permit offices, management and technical assistance providers, and a host of other resources quickly and efficiently.
- Capital Locator – an Internet-based tool that allows MBEC consultants to inquire about, identify and locate potential financiers nearest them. This tool shall provide basic financing criteria for each identified capital resource. The tool is designed to give users the benefit of a nationwide market for identifying financing needs and products.
- Business and Market Planning – a software package designed to streamline and enhance the development of business plans, marketing plans and other strategic business documents.

## 4. Project Support

MBDA expects to further support the MBEC Program by:

- Facilitating mentoring relationships between new and incumbent project operators;
- Hosting one national and at least one NEC training conference;
- Expanding the Phoenix data bank of minority-owned firms;
- Facilitating the exchange of business opportunity information within the MBDA funded system using the Capital Locator, Resource Locator, Phoenix and Opportunity systems, such as federal, state and local governments and private sector market opportunities for MBEC clients;
- Working closely with the MBECs to establish a system in which procurement and contract opportunities can be shared with the network of MBECs. This system will include opportunities identified throughout the MBDA network using the Phoenix and Opportunity system;
- Promoting special events to be scheduled at the local community, state and national levels in celebration of MBDA's annual Minority Enterprise Development (MED)Week Conference; and
- Promoting collaborations between the MBECs and the MBDA Office of Minority Business Development.
- Providing general program information, guidance and support as well as a help line for questions related to the MBDA Performance System.
- Providing client and strategic support through the respective NEC and the use of the business analyst geographic information system; a software designed to provide strategic business data through a geographically-based information system.

## **5. Project Monitoring and Advisement**

MBDA will systematically monitor the performance of the MBEC, as provided under the operational quality performance measure (*see* Appendix B, Performance Measures and Related Definitions). This monitoring includes regular review of data input to the Performance reporting system.

MBDA will conduct the following performance assessments for each funding period: the 1<sup>st</sup> semi-annual performance period (January 1 – June 30), 2<sup>nd</sup> semi-annual performance period (July 1 – December 31) and cumulative year-end performance period (January 1 – December 31). These assessments are based on the MBEC's timely submission of its required Narrative Reports.

MBDA will also conduct desk assessments of the Center's performance. These assessments are based on the information entered into the Performance system by the Center within 72 hours of assisting clients (*see* Appendix C., Item C. 3. Operational Quality). MBDA will conduct the following two desk assessments for each funding period: (a) first quarter period (January 1 – March 31); and (b) the cumulative third quarter performance period (January 1, 2009 through September 30). All data recorded in the MBDA Performance System shall be reviewed and analyzed. MBDA shall provide a written report of its findings and determinations.

MBDA will conduct an initial and/or annual on-site review of the MBEC to verify the Center's performance/claims, including but not limited to a review of client files, client fees, cost share requirements and overall operations. MBDA may also conduct a review of reported assistance by interviewing the clients assisted by the Center.

MBDA will assess the Center's effectiveness in providing business development services to their respective minority business communities. MBDA will then provide a report of findings and recommendations for improvement as a result of evaluations and monitoring visits. MBDA will approve qualifications of key MBEC staff and respond in a timely manner to correspondence requesting MBDA action.

MBDA may, upon unsuccessful performance by a MBEC, conduct a MBEC consultation. This consultation (which may be referred to as an advisement) is designed to assist a failing Center through collaborative support. The MBEC may be required to develop a performance improvement plan based on MBDA's findings, suggestions and recommendations.

### **III. Eligibility Information**

#### **A. Eligible Applicants**

For-profit entities (including but not limited to sole-proprietorships, partnerships, limited liability companies and corporations), non-profit organizations, state and local government entities, American Indian Tribes and educational institutions are eligible to operate MBECs.

#### **B. Non-Federal Cost Sharing Requirements**

**The MBEC Program requires a minimum non-federal cost share of 20%, which must be reflected in the proposed project budget.** Non-federal cost share is the portion of the project cost not borne by the Federal Government.

Applicants must satisfy the non-federal cost sharing requirements in one or more of the following four (4) means or any combination thereof: (1) client fees; (2) applicant cash contributions; (3) applicant in-kind (*i.e.*, non-cash) contributions; or (4) third-party in-kind contributions.

**The MBEC is required to charge client fees for services rendered.** MBDA requires the below process for determining fee structures. The applicant may, however, provide its preferred methodology for the billing and collection of client fees, as well as for fee waivers.

The MBEC client fees must range from \$10 to \$60 per hour based on the gross receipts of the client's business ranging from \$0 to \$5 million and above. The following policy restrictions apply when charging client service fees: (1) client fees charged for one-on-one assistance must be based on a rate of \$100 per hour; and (2) the MBEC must set fee rates based on the following chart:

<b>Gross Receipts Of Client</b>	<b>Base Rate for Services Rendered</b>	<b>Percent of Cost Borne by Client</b>	<b>Client Fee Per Hour</b>
\$0 – 99,999	\$100.00	10%	\$10.00
\$100,000 – 299,999	\$100.00	20%	\$20.00
\$300,000 – 999,999	\$100.00	30%	\$30.00
\$1 Million – 2,999,999	\$100.00	40%	\$40.00
\$3 Million – 4,999,999	\$100.00	50%	\$50.00
\$5 Million and Above	\$100.00	60%	\$60.00

**NOTE:** Client fees must be applied directly to the award’s non-federal cost share and must be used in furtherance of the program objectives. In addition, the MBEC will generally be required to contribute cash to the award with respect to uncollected client fees that were included as part of the non-federal cost share committed to the award.

**IV. Application and Submission Information**

**Applications may be submitted in either paper format OR electronically through [www.grants.gov](http://www.grants.gov).**

**A. Address to Request Application Package**

Paper application packages may be obtained by contacting the specified MBDA National Enterprise Center (NEC) for the geographic service area (*see* Section VII, Agency Contacts) in which the project will be located or by accessing the MBDA Minority Business Internet Portal at [www.mbda.gov](http://www.mbda.gov). Standard forms (SF) may be obtained by (1) contacting MBDA as described above; or (2) by accessing <http://www.whitehouse.gov/omb/grants> or <http://www.Grants.gov>. Department of Commerce (CD) forms may be accessed at [www.doc.gov/forms](http://www.doc.gov/forms).

If an applicant files electronically, all application materials and forms are available at the Grants.gov website (<http://www.Grants.gov>).

**B. Content and Form of Application**

**1. General Requirements**

In general, the applicant’s proposal must define how it will implement the MBEC work requirements and achieve the performance goals set forth in this FFO. A complete proposal consists of a detailed program narrative with defined sections and certain Standard Forms (SF) and Department of Commerce (CD) forms. The requirements are the same regardless of whether the proposal is filed in paper format or electronically. Applicants must submit a separate application for each MBEC project for which it is applying.

**The required content and format for submitting applications is set forth in Appendix D., Content and Form of Application**

## 2. Paper Submission

A completed proposal may be submitted by postal mail, by overnight delivery or by hand-delivery to the address specified in Section IV.D., Addresses for Application Submissions.

**Failure to include, by the deadline, a signed, original SF-424 with the paper application will result in the application being rejected and returned to the applicant. Failure to sign and submit the REMAINING FORMS with the paper application by the deadline will automatically cause an application to lose two (2) points in the overall score. Failure to submit other documents or information required may also adversely affect an applicant's overall score.**

## 3. Electronic Submission

Applicants are encouraged to submit their proposal electronically at <http://www.grants.gov>. Electronic submissions should be made in accordance with the instructions available at Grants.gov (see <http://www.Grants.gov/ForApplicants> for detailed information).

The requirements for electronic submission are generally the same as for paper submission, except that scanned signatures are acceptable. The preferred format for electronic attachments is .pdf. Files in this format may be read by most computers using free reader software. This is the most prevalent format for documents that are scanned from hard-copy. However, the Department will accept electronic files in Word, Wordperfect, Lotus or Excel formats.

**Failure to submit a complete application by the submission deadline will result in the application being rejected by Grants.gov. [An electronic application cannot be submitted through Grants.gov unless all required fields on all required forms are completed.] Failure to submit other documents or information by the deadline, which does not result in the rejection of an application by Grants.gov, may affect an applicant's overall score.**

### C. Submission Deadline

The closing date for receipt of applications is **November 7, 2008 at 5:00 p.m. Eastern Standard Time (EST)**. The submission deadline is the same for paper and electronic applications. To be considered timely: (i) paper applications must be received by the MBDA representative at the address set forth in Section IV.D., Addresses for Application Submissions, by the closing date and time; or (ii) electronic applications must be transmitted and time-stamped at [www.Grants.gov](http://www.Grants.gov) by the closing date and time. Applications received after the closing date and time will not be considered. Anticipated time for processing awards is forty-five (45) days from the closing date for receipt of applications. MBDA anticipates that the Houston MBEC award will be made with a start date of January 1, 2009.

The electronic submission date is the date that applications will be deemed to have been submitted electronically and shall be the date and time received at [www.grants.gov](http://www.grants.gov). Applicants should save and print the proof of submission they receive from [www.grants.gov](http://www.grants.gov). *Applicants should plan to submit the application electronically several days before the deadline to ensure that the application is complete and accepted by grants.gov before the submission deadline.* If problems occur while using [www.grants.gov](http://www.grants.gov), the applicant is advised to (i) print any error message received, and (ii) call [www.grants.gov](http://www.grants.gov) at 1-800-518-4726 for immediate assistance. MBDA may allow more time for applicant submission due to system problems at Grants.gov that are beyond the control of the applicant.

**MBDA shall not accept any changes, additions, revisions or deletions to competitive applications after the submission deadline. However, MBDA may contact applicants to request clarification of the application following the review and evaluation process.**

#### **D. Addresses for Application Submissions**

##### **1. Paper Submission – If Mailed**

If the application is mailed/shipped overnight by the applicant or its representative, one (1) signed original, plus two (2) copies of the application, must be mailed to the below address. Applicants are encouraged to also submit an electronic copy of the proposal, budget and budget narrative on a CD-ROM to facilitate the processing of applications.

Office of Business Development – MBEC Program  
Office of Executive Secretariat, HCHB Room 5063  
Minority Business Development Agency  
U.S. Department of Commerce  
1401 Constitution Avenue, N.W.  
Washington, D.C. 20230

MBDA’s receipt of mail sent via the United States Postal Service may be substantially delayed or suspended in delivery due to security measures. Applicants may therefore wish to use a guaranteed overnight delivery service. Department of Commerce policies for overnight delivery services require the application packages to be sent to the above address.

##### **2. Paper Submission – If Hand-Delivered**

If the application is hand-delivered by the applicant or by its representative, one (1) signed original, plus two (2) copies of the application must be delivered to the below address. Applicants are encouraged to also submit an electronic copy of the proposal, budget and budget narrative on a CD-ROM to facilitate the processing of applications.

U.S. Department of Commerce  
Minority Business Development Agency

Office of Business Development – MBEC Program (extension 1940)  
HCHB, Room 1874  
Entrance #10  
15<sup>th</sup> Street, NW  
(Between Pennsylvania and Constitution Avenues)  
Washington, D.C.

MBDA will not accept applications that are physically delivered by the deadline, but that are rejected due to the applicant’s failure to adhere to the above proper protocol for hand-deliveries.

#### **E. Pre-Application Conference**

Prospective applicants are invited to participate in a pre-application conference scheduled for October 21, 2008 at 1:00 p.m. Eastern Daylight Time (EDT). This event provides applicants with an opportunity to ask questions regarding the MBEC program and competition requirements. Interested parties may participate in person or by phone. Event registration information is provided at: [www.mbda.gov](http://www.mbda.gov) or may be obtained by calling the MBDA representatives listed in Section VII., Agency Contacts. All participants must register at least 24 hours prior to the conference.

#### **F. Intergovernmental Review**

Applications under this program are not subject to Executive Order 12372, “Intergovernmental Review of Federal Programs.”

#### **G. Funding Restrictions**

##### **1. Profits or Fees**

Profits, fees or other increments above cost may not be paid on MBDA financial assistance awards. Applicants must not include fees, profits or other increments above cost as part of their proposal.

##### **2. Indirect Costs**

The indirect cost policies contained in 2 C.F.R. part 220 (2007) (OMB Circular A-21, “Cost Principles for Educational Organizations), 2 C.F.R. part 225 (2007) (OMB Circular A-87, “Cost Principles for State, Local and Indian Tribal Governments) and 2 C.F.R. part 230 (2007) (OMB Circular A-122, “Cost Principles for Nonprofit Organizations) will apply to MBDA awards for its business development programs. Indirect costs are those costs proposed for common or joint objectives and which cannot be readily identified with a particular cost objective. Therefore, if the MBDA award is to be the sole source of support for the applicant organization, all costs are direct costs and no indirect costs should be proposed.

The total dollar amount of the indirect costs proposed in an application under this program must not exceed the indirect cost rate negotiated and approved by the cognizant Federal agency prior to the proposed effective date of the award or 100 percent of the total proposed direct costs dollar amount in the application, whichever is less. A copy of an approved indirect cost rate must be included in the application package if indirect costs are proposed.

Organizations that do not have an established indirect cost rate negotiated and approved by a cognizant Federal agency may still propose indirect costs. For the recipient to recover indirect costs, however, the proposed budget must include a line-item for such costs. The recipient must also prepare and submit a cost allocation plan and indirect cost rate proposal as required by applicable guidelines set forth in the preceding paragraph. The allocation plan and the rate proposal must be submitted to the Office of Acquisition Management and Financial Assistance within ninety (90) days from the effective date of the award.

## **V. Application Review Information**

### **A. In General**

To apply for the Houston MBEC award, an eligible applicant must submit a complete application package to MBDA by the deadline and in the manner specified in Section IV., Application Submission Information, and Appendix D., Content and Form of Application.

### **B. Evaluation Criterion and Selection Procedures**

A review panel comprised of at least three (3) members, all of whom will be full-time federal employees and at least one (1) of whom will be an MBDA employee, will be formed to review responsive applications for the Houston MBEC project. Applications will be evaluated by the appropriate MBDA review panel and one application may be recommended for funding based on defined evaluation criterion and selection procedures.

***See Appendix E, Evaluation Criterion and Selection Procedures,  
for the specific MBEC evaluation criterion and selection procedures.***

## **VI. Award Administration Information**

### **A. Award Notices**

The notice of award (CD-450) is signed by the Department of Commerce Grants Officer and is the authorizing document. It is generally provided by overnight delivery to the appropriate business office of the recipient organization.

MBDA will notify unsuccessful applicants, in writing, by postal mail after a final selection has been made and after an offer has been accepted. Those applications that are not ultimately selected for funding will be retained by MBDA for a period of three (3)

years after which they will be destroyed. In the case of paper submissions, the original application shall be retained by MBDA for a three-year period and all other copies shall be destroyed, unless requested by the applicant in writing within thirty (30) days of notification.

#### **B. Unsuccessful Competition**

On occasion, competitive solicitations or competitive panels may produce less than optimum results, such as competition resulting in the receipt of no applications or competition resulting in all unresponsive applications received. If the competition results in only one application, it may or may not require additional action from MBDA depending upon the competitive history of the area, the quality of application received, and the time and cost limits involved. In that event that any or all of these conditions arise, MBDA shall take the most time and cost-effective approach available that is in the best interest of the Government. This includes but is not limited to: (i) a new competition; (ii) re-paneling; or (iii) negotiation.

#### **C. Administrative and National Policy Requirements**

Administrative and national policy requirements for all Department of Commerce awards are contained in the *Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements*, published in the *Federal Register* on February 11, 2008 (73 FR 7696). You may obtain a copy of this notice by contacting the MBDA contact under Section VII., Agency Contacts, or by entering the *Federal Register* volume and page numbers provided in the previous sentence at the following Internet website: [www.gpoaccess.gov/fr/retrieve.html](http://www.gpoaccess.gov/fr/retrieve.html).

#### **D. Reporting**

Financial reports are to be submitted to the Department of Commerce Grants Office on a quarterly basis. A final financial report is due within ninety (90) days after expiration of the award. Performance narrative reports are to be submitted to the Federal Program Officer within forty-five (45) days after the end of the second program quarter of each funding period. An end-of-year or final performance report is due forty-five (45) days after the end of each funding period. Additional reporting requirements are set forth in Appendix A, Work and Training Requirements.

#### **E. Past Performance and Non-Compliance with Award Provisions**

Unsatisfactory performance under prior federal awards may result in an application not being considered for funding. Failure to comply with any or all of the provisions of an award may have a negative impact on future funding by the Department of Commerce (or any of its operating units) and may be considered grounds for any or all of the following actions: establishment of an account receivable, withholding payments under any Department of Commerce awards to the recipient, changing the method of payment from advance to reimbursement only, imposition of other special award conditions,

suspension of any active Department of Commerce awards and termination of any active Department of Commerce awards.

## **VII. Agency Contacts**

General MBEC information can be obtained through the below MBDA National Enterprise Center (regional office).

For the Houston MBEC competition, please contact:

Mr. John F. Iglehart, Regional Director  
MBDA Dallas National Enterprise Center  
U.S. Department of Commerce  
1100 Commerce Street, Room 726  
Dallas, TX 75242  
Tel: 214-767-8001

In addition, prospective applicants may also contact:

Mr. Efrain Gonzalez, Chief  
MBDA Office of Business Development  
U.S. Department of Commerce  
14<sup>th</sup> and Constitution Ave., N.W.  
Room 5075  
Washington, DC 20230  
Tel: 202-482-1940

## **VIII. Other Information**

### **A. Limitation of Liability**

Funding for the program listed in this notice is contingent upon the availability of FY 2009 appropriations. MBDA issues this notice subject to the appropriations made available under the current continuing resolution, H.R. 2638, "Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009," Public Law 110-329. In no event will MBDA or the Department of Commerce be responsible for proposal preparation costs if the MBEC Program fails to receive funding or is cancelled because of Department of Commerce or MBDA priorities. All funding periods under the award are subject to the availability of funds to support the continuation of the project. Publication of this FFO does not obligate MBDA or the Department of Commerce to award any specific project or to obligate any available funds.

### **B. Audit Costs**

Audits shall be performed in accordance with audit requirements contained in Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, revised June 27, 2003. OMB Circular A-133 requires that non-

profit organizations, government agencies, Indian tribes and educational institutions expending \$500,000 or more in federal funds during a one-year period conduct a single audit in accordance with guidelines outlined in the Circular. Applicants are reminded that other audits may be conducted by the Department of Commerce Office of Inspector General and by other authorized federal agencies.

**C. Freedom of Information Act Disclosure**

The Freedom of Information Act (5 U.S.C. § 552) (FOIA) and the Department of Commerce's implementing regulations at 15 C.F.R. part 4 set forth the rules and procedures to make requested material, information and records publicly available. Unless prohibited by law and to the extent permitted under FOIA, contents of applications submitted by applicants may be released in response to FOIA requests.

## **Appendix A**

### **Work and Training Requirements**

The work requirements specify the duties and responsibilities of each MBEC project operator. It is required that the proposal contains a description as to how the operator intends to establish an organizational & functional framework for the management and operation of the MBEC to include the following requirements:

#### **A. Establishment of Office**

The project operator must open an office and be fully operational within thirty (30) days after receipt of the award. MBDA encourages applicants to propose a location for the MBEC that is in a building, which is separate and apart from any of its existing offices in the geographical service area. Fully operational means that all staff are hired (including project director), all required signs are up, all items of furniture and equipment (e.g., computer hardware, software, Internet services, phones, faxes, etc.) are in place, and the MBEC's doors have been fully opened to the public for service. Failure to be fully operational within thirty (30) days may be grounds for termination of the award. Failure to hire a project director within thirty (30) calendar days may result in enforcement action under the award, including the withholding of award payments until full compliance is reached. The hiring methods for recruiting staff should be stated.

The Houston MBEC must be accessible to disabled persons and strategically located in the City of Houston, TX to ensure that it is: (1) close to the available public and private sector resources, and (2) within a reasonable commuting distance to the minority business community.

The MBEC operator must provide services to eligible clients within its specified geographical service area. The proposal should include the MBEC's strategy in recruiting clients. Services can be delivered face-to-face or by virtual means (i.e. telephonic communications, email, fax, etc.). The operator must make a good faith effort to support the Houston MBEC and Agency and Department of Commerce policies. In addition, the MBEC operator and the project director must provide accessibility to MBDA. MBDA calls to the operator and/or the project director must be responded to within 24 hours.

Within thirty (30) days after receipt of the award, the project operator shall report via email to the Federal Program Officer and the MBDA CIO of the Office of Information Technology, Research and Innovation and to the MBDA MBEC Program Manager that it has complied with all information technology requirements as specified in Appendix C. Within thirty (30) days after receipt of the award, the operator shall also report the name, contact telephone number and email address of the Project Director, Network or System Administrator.

## B. Training

The MBEC shall be required to fully attend training programs designed by and for MBDA funded projects. The MBEC staff shall be required to accumulate the following credit-hours for training (subject to the availability of the training as determined by MBDA):

<b>Training Event</b>	<b>Operator</b>	<b>Project Director</b>	<b>Consultant(s)</b>	<b>Administrative</b>
1. Post-Award Conference	Mandatory 10 credit-hours	Mandatory 10 credit-hours	N/A	N/A
2. Program Review & Orientation	Mandatory 8 credit-hours	Mandatory 8 credit-hours	Mandatory 8 credit-hours	Mandatory 8 credit-hours
3. Implementing a System for High-Quality Service (Yr 1) (or similar)	N/A	Mandatory++ 40 credit-hours	Mandatory++ 40 credit-hours	N/A
4. Performance System Orientation	Mandatory 1 credit-hour	Mandatory 4 credit-hours	Mandatory 3 credit-hours	Mandatory 2 credit-hours
5. MBDA National Conference	Mandatory** 8 credit-hours	Mandatory 24 credit-hours	Mandatory 24 credit-hours	N/A
6. MBDA NEC MED-Week	N/A	Mandatory 8-10 credit-hours	Mandatory 8-10 credit-hours	N/A
7. MBDA National MED-Week	Mandatory** 8 credit-hours	Mandatory 16-20 credit-hours	Mandatory 16-20 credit-hours	N/A
8. Coaching Program	N/A	Optional 40 credit-hours	Optional 40 credit-hours	N/A
<b>Mandatory Training/ Funding Period</b>	<b>27 Credit-Hours</b>	<b>70 - 116 Credit-Hours</b>	<b>59 - 105 Credit-Hours</b>	<b>10 Credit-Hours</b>

\*\* Note, attendance required for either, not both.

++ Note, this course can be waived if there is a certificate of completion (i.e. certificate) for the same course from the Tuck School of Business only. Substitutions from other educational institutions will not be accepted.

Credit-hours shall be allocated by MBDA in MBEC performance evaluation. If the MBEC staff fails to accumulate the required credit-hours, the operator shall lose two (2) points from the assessment score during each evaluation period. MBEC personnel experience (i.e. work and educational) shall not be accepted as substitutions for attending the following trainings:

- 1. MBEC Post-Award Conference:** This session, held once in the first year, is designed to review the grant award and key issues pertaining to the successful management of the award. The project operator and the project director must attend. Failure to attend shall designate the operator as non-compliant with the award and may result in award termination. A change in project director will require the project director to attend a post-award conference as soon as practicable following the commencement of his/her duties.
- 2. MBEC Program Review and Orientation:** This session, held once in the first year, will focus on understanding key aspects of MBEC operations and procedures. This

training will not require travel and may be conducted over a series of days by teleconference or by MBDA staff attending the Center in person.

- 3. Implementing a System for High-Quality Service:** This training will be held in Hanover, NH and generally consists of a five (5) day comprehensive training session. The training shall focus on:

- Orientation to the MBDA strategy
  - Instilling the entrepreneurial mindset
  - Standardization of client intake services
- Skills and information needed to provide high-quality services to emerging firms

Successful completion of this program, which involves a competency examination, will result in certification of the MBEC staff member by MBDA. In the event that one or more MBEC staff member should fail the competency examination, the MBEC shall lose two (2) points from the assessment score during each evaluation period of the project. MBDA anticipates this program to be conducted in the second calendar quarter of 2009. Additional session(s) may be held in 2010 and in 2011 depending on the availability of funds. Such additional session(s) will require the attendance of MBEC staff not previously trained, and/or those who failed to successfully complete the initial training program.

For each of the three funding periods under the award, the MBEC's budget must provide for a \$5,000 per-person, registration fee (program fee, materials, lodging and some meals included) for at least one staff person to attend this training and for travel-related expenses for each attendee.

- 4. Performance System Orientation:** This training is designed to review basic access, navigation and understanding of the MBDA Performance System. All trainings shall be conducted telephonically; participants will need access to computer and internet during the training session(s). The operator is required to attend 1 session on reporting. The Project Director is required to attend 3 sessions: (a) reporting, (b) performance system, and (c) understanding on-line tools. Consultant(s) is required to attend 2 sessions: (a) performance system, and (b) understanding on-line tools. Administrative Assistant is required to attend 1 session (a) performance system.
- 5. MBDA National Conference:** This training is designed to review key Agency initiatives among all of its funded projects and MBDA staff. Specialized programmatic training is also offered at this event. The MBEC attendees shall be required to attend a formal meeting and/or training session conducted by the MBDA Office of Business Development. The National Conference is held once per year, depending on the availability of funds. The location of this event varies. However, the MBEC should anticipate travel related costs to this activity. This session is normally a 3-day event.
- 6. MED Week – National Enterprise Center (NEC):** This is an annual program conducted in each NEC region. MED Week is a celebratory event, under presidential

proclamation. This event focuses on recognizing MBEC clients that have made significant economic impact within the NEC region. Market orientations and training programs are offered to the MBEC. This event is held once per year, depending on the availability of funds. The MBEC should anticipate travel related costs to this activity in its respective MBDA region. This session is normally 1-2 day event.

7. **MED Week – National:** This is an annual program conducted in Washington, D.C. This program is the culmination of all MED Week celebrations. This event focuses on identifying new opportunities into marketplaces, business networking, key research, distribution of materials and reports for and about MBEs. MED Week also hosts a celebratory event and awards recognition of MBE clients that have made significant economic impact on a national level. The MBEC attendees shall be required to attend a formal meeting and/or training session conducted by the MBDA Office of Minority Entrepreneurship and Trade. This event is held once per year, depending on the availability of funds. The MBEC should anticipate travel related costs to this activity. This session is normally 1-3 day event.
8. **Coaching Program.** This program is designed to enhance skills in business training, counseling, financing, and procurement opportunities. Successful completion of this program is designed for staff providing consulting services to clients. This session is normally a 40 hour program. MBDA anticipates this training will be conducted in multiple sessions throughout the first funding period. Training will be conducted at the MBEC or by teleconference. MBDA reserves the right to conduct training in the second and possibly in the third year of operation based on availability of funding.

### C. **MBEC Work Requirements**

The MBEC is required to perform work in three (3) basic areas - market development, client services and operational quality. These elements are designed to increase the exposure and visibility of MBEs. MBEC efforts in these activities should provide quantifiable results.

1. **Market Development** – is designed to facilitate the identification of potential MBEs, methods to solicit potential clients and to identify, develop and leverage public and private sector resources and business opportunities for their clients:
  - (a) **Market Research and Development:** Systematically investigate the service area market to see what business and capital opportunities exist for MBE development and search for sources of capital, sales opportunities, business buy-outs and new start possibilities. As market research is conducted, the MBEC will make optimum use of the MBDA network to ensure that the information is made available to fellow MBEC operators and to MBEs throughout the country.
  - (b) **Market Promotion:** The MBEC will promote minority business development in the local business community by obtaining support from the community for the utilization of MBEs.

The MBEC will promote individual MBEs to the public and private sectors to build market awareness of the capability, talent and capacity of its clients. The MBEC may utilize public service announcements and paid advertising. The MBEC may promote its clients locally to entities such as: Chambers of Commerce, business and trade associations, corporations and company trade fairs and meetings, state and local government agency purchasing departments, economic development and planning offices and MBE events.

The MBEC will develop and shall carry out a plan-of-action that will include, but is not limited to the following actions: (1) develop an MBEC brochure for mail-out and distribution to the public; (2) develop an MBEC program description for inclusion on the MBDA Portal and the MBEC web site; and, (3) adhere to MBDA's communication plan (see Operational Quality, item (k) under this section). The applicant is required to develop and include an initial plan of action in its proposal.

The MBEC shall promote and participate in the NEC and the National Minority Enterprise Development (MED) Week activities. MED Week is an annual event, coordinated through MBDA that celebrates the success of minority businesses. Participation is defined as follows:

- (i) NEC MED Week – This event is held annually in late summer or early fall, in or near the MBDA NEC. It involves full participation and collaboration with the designated MBDA NEC. The MBEC shall participate in MBDA's process of nominating their outstanding clients for various awards. The MBEC may be asked to coordinate/host panel discussions and support its MBDA NEC. At a minimum, travel expenditures for the MBEC's project director and (at least) one staff must be included in the proposal.
- (ii) National MED Week – This event is held annually in the fall in Washington, DC. It shall require, at a minimum, travel expenditures for the MBEC's project director and at least one staff. During the National MED Week program, possible training programs may be offered to MBEC staff. There will be no charge for tuition or materials.

The MBEC shall participate and support designated Business-to-Business Linkage programs throughout the award period. This program is a regional event conducted by MBDA that brings together certified MBEs (e.g. 8(a)) and other SGI firms, for potential business to business teaming arrangements. The MBEC shall be expected to collaborate with MBDA in identifying key participants, conducting outreach and maintaining ongoing communication with these participants prior to the event, during the event (where possible) and after the event. The objective of the Business-to-Business Linkage program is to build MBE capacity for competition of larger awards, and ultimately the recording of contracting and financial dollars for programmatic success.

(c) Resource Development: Requires the MBEC to identify and electronically record on the MBDA Portal likely sources of the following:

- (i) Market Opportunities – e.g., public (Federal, state and local government) and private (domestic and foreign) sector contracting opportunities;
- (ii) Capital Resources - e.g., standard commercial and alternative debt (loans, lines of credit, etc.), equity (venture capital, angel, etc.), and mezzanine (near equity, subordinated debt, etc.) financing, bonds (performance and surety), and trade credit opportunities;
- (iii) Business Ownership Opportunities- e.g., franchises, licensing arrangements, mergers and buy-outs;
- (iv) Education and Training Resources - e.g., educational institution programs and other training resources; and,
- (v) Registration of MBEs – e.g., register eligible local MBEs in MBDA’s Phoenix system, which is a national electronic inventory of minority firms capable of selling their goods and services to the public and private sector. The identified and recorded resources shall be verified by MBDA prior to publishing on the MBDA Portal.

(d) Develop and Maintain a Network of Strategic Partners: The work requirements for a project operator under the MBEC Program include the development of key networks. The primary purpose for establishing strategic partners is to assist the MBEC to achieve its goals for assisting minority businesses; the second purpose is to synchronize outreach efforts between the MBEC and MBDA; the third purpose is to develop referral sources to assist MBEs that do not meet the SGI criteria but require business assistance services; and finally, to foster collaboration among the MBDA funded network as established under the terms of the award. Each Strategic Partnership shall be documented by a written Memorandum of Understanding (MOU) that shall document the terms and conditions of the partnership. The terms and conditions should assist the MBEC in achieving its goals for assisting clientele.

A minimum of five (5) strategic partners must be established by the operator within one hundred-twenty (120) days after receipt of the award. The MBEC is required to maintain these partnerships throughout the life of the award. The MBEC must notify MBDA in writing that it is replacing/changing a Partner. The MBEC must then replace a Partner within forty-five (45) days after termination of that previously established partnership. The MBEC shall consult with its MBDA National Enterprise Center prior to completing the MOU. All Strategic Partnerships must be reviewed by the NEC to determine if it meets the criteria as specified in the Announcement before the MBEC will be able to claim that partnership. The MBDA shall have no relationship with or responsibility to the MBEC’s Strategic Partners.

Strategic partners shall be with public or private sector organizations located within the project’s geographic service area. These partners may include, but are not limited to:

- Minority Business Enterprise (MBE) programs operated by state, county or city governments;
- Chambers of Commerce or trade associations focused on the needs of the minority business community;
- Small Business Development Centers, or other college and university entrepreneurial development programs;
- Community Development Corporations;
- Banks and financial institutions; and
- Faith-based organizations having economic development components, whose activities are not used for sectarian purposes.

In addition to the minimum requirement of five (5) strategic partnerships, the MBEC operator must use its best efforts to partner and otherwise collaborate with MBDA and with other MBDA funded programs (intra-strategic partnerships). These intra-strategic partnerships shall be established in support of the parties' mutual goals for assisting clients. The MBEC is further encouraged to share clients with these parties to facilitate client interests.

- (e) Facilitate Matches. This means to identify and refer eligible MBEs to specific sources of viable market and/or capital opportunities.

This function contributes to the MBEC's procurement and/or financing performance goals, and is the only MBEC market development function, outside of the standard client business assistance, in which a portion of an MBEC 's time can be directly associated to matching individual MBEs (which may not be clients) and sources.

Under this function, the MBEC shall match qualified minority entrepreneurs with identified opportunities and resources by: (1) Accessing vendor information systems, including the Phoenix/Opportunity system; (2) Providing follow-up communication to Phoenix-registered minority firms that receive Opportunity matches within the MBEC geographic area; (3) Maintaining a constant awareness of the minority firms that operate within the geographic service area and their capabilities; (4) Maintaining direct contact with purchasing executives, government procurement officials, banking officials and others so that representatives of the MBEC are in a position to learn about available business opportunities, both formally and informally; (5) Engaging in relationship brokering between purchasing organizations and individual minority firms capable of fulfilling their requirements; and (6) Assisting in direct negotiations between purchasing organizations and individual minority firms, in appropriate cases, in order to help resolve issues, serve as an advocate for the minority firm, or otherwise assist in bringing the transaction to closure.

2. Client Services – Provides direct client assistance to MBEs on the basis of individualized professional engagements. Clients shall be assisted primarily through

one-on-one business consulting or by strategic team consulting lead by the MBEC or in collaboration with another MBDA funded entity.

SIG firms are defined as those firms with \$500,000 in annual sales or more, and/or “rapid growth-potential” minority firms capable of generating significant employment and long term economic growth. Under these duties, the MBEC shall assist minority firms which have agreed in writing to become MBEC clients, in establishing, improving and/or successfully maintaining their businesses. All new clients shall be entered into the Performance system and registered in the Phoenix system upon client permission. The MBEC is required to enter clients and service hours into the Performance system within seventy-two (72) hours from the time of service.

Business consulting to SIG firms requires the delivery of sophisticated management and technical assistance based on the client size (see below for definition of sales range). The MBEC shall operate a *systems-integrated approach* (as described below) to assist in minority business growth and development. The applicant must define in its proposal how it will conduct business consulting services and approaches with respect to implementing a *systems-integrated approach* for each of the following MBE annual sales range categories:

- Less than \$500,000;
- \$500,000 - \$999,999;
- \$1,000,000 - \$5,000,000; and
- Other “rapid growth-potential” minority firms (as defined above)

A **systems-integrated approach** is defined as a customer-based service model supported by the following functions:

- Strategy - e.g., plans for achieving sustainable competitive advantage and creating customer value;
- Processes - e.g., efficient, effective ways of manufacturing products or delivering services;
- Architecture - e.g., organizational and value chain (outsourcing) structure to implement the strategy and key processes;
- Resources - e.g., the acquisition and management of financial, human, and technical assets;
- Systems - e.g., mechanisms for control and communication, including but not limited to management information systems (MIS); and
- Empowerment - e.g., delegation in a way that encourages staff to pursue strategic initiatives and continuous improvement.

The MBEC shall be responsible for providing business consulting to clients based on these principles.

Business consulting services are (as defined under this section) provided by the MBEC to eligible MBEs and individuals (as referenced in Executive Orders 11625

and 12432) seeking assistance from the MBEC, including 8(a) certified and graduate firms. These client services are segments to the systems-integrated approach. They are designed to assist minority firms to bridge operational and strategic gaps. They cannot provide long term business viability without aligning all aspects of the business and its environment. Client services include, but are not limited to, the following types of assistance:

(a) Client Assessment: Provides the MBEC client with a fundamental business evaluation. This process is designed to standardize services across the MBEC network nationwide and to facilitate client sharing and the referral process among the MBDA funded network. It requires an interview to be conducted between client and MBEC consultant. This service is designed to provide:

- Background and contact information on the client;
- Client business analysis with respect to its core competency, organizational structure, market and industry placement, production of products/delivery of services, marketing plan, resources and financial viability;
- Analysis and benchmarking of the client;
- Development of an intervention/assistance plan utilizing a systems-integrated approach (as defined under Client Services) & client report; and
- Identification of resources and referrals.

The MBEC must ensure that all client information is accurately recorded in the Performance Database and client files.

(b) Functional Assistance: Provides the MBEC client with detailed business consulting services including, but not limited to:

- (i) Marketing, e.g., market research, promotion, advertising and sales, sales forecasting, market feasibility studies, pricing, product and customer service, brochure design;
- (ii) Financial Management, e.g., capital budgeting, general accounting, break-even analysis, cost accounting, financial planning and analysis budgeting, tax planning, business consulting (excludes bookkeeping, tax preparation, and audits);
- (iii) Financial Assistance, e.g., identification, preparation and packaging of standard commercial and alternative debt (loans, lines of credit, etc.), bonding, leases (property and equipment), equity (venture capital, angel, etc.), and mezzanine (near equity, subordinated debt, etc.) financing and trade credit opportunities;
- (iv) Procurement Assistance, e.g., preparation and planning for the identification of private and public-sector contracting opportunities; and
- (v) Operations & Quality Management, e.g.:
  - Manufacturing - plant location and site selection, plant management, materials handling and distribution, total quality management, metrication for world market, and business consulting;

- Construction - estimating, bid preparation, bonding, take-offs, and business consulting;
  - International Trade Assistance - exporting, importing, letters of credit, bank draft, dealerships, agencies, distributorship, exporting trading companies, joint ventures, business consulting, and freight forwarding and handling;
  - Specialized Certification - ISO 9000(+) knowledge of program and standards, how to implement standards, how to report and properly apply for ISO 9000(+) Quality Systems certification;
  - Total Quality Management - process engineering, inventory control, purchasing, continuous improvement programs;
  - Technology & Systems - automation design, development and integration of technology to support infrastructure, knowledge management, data mining, performance-based reporting;
- (vi) Organization & Administration, e.g., human resource management, job evaluation and rating system, employee stock option programs, training, business consulting; and,
- (vii) General Management, e.g., organization and structure, formulating corporate policy, feasibility studies, reports and controls, public relations, staff scheduling, legal services (excludes litigation), business planning, organizational development, bid preparation, and business consulting.

**The MBEC shall not perform or engage in the day-to-day operations or make decisions for its clients.**

Group training sessions are considered a form of business development services that can be provided to MBE clients. This function may be subject to client fees (if proposed) and may directly contribute to the MBEC performance goals.

3. **Operational Quality** - Maintains the efficiency and effectiveness of its overall operations as well as the quality of its client services. These duties are the means by which the MBEC manages its overall operations as well as the quality of its client services. The function directly contributes to the MBEC's overall qualitative evaluation and rating as well as the successful completion of all work requirements. Under this function, the MBEC shall:

- (a) Execute signed work plan agreements and engagement letters with clients;
- (b) Formally describe the methodology that will be used in achieving the work plan objectives for each client;
- (c) Input progress/results to the performance database within seventy-two (72) hours from the time of service;
- (d) Establish procedures for collecting and accounting for all fees charged to clients;
- (e) Maintain records/files for all work charged to the program and clients;
- (f) Ensure all files are properly recorded and supported by client MBE self-certification, MBDA data privacy notice, needs assessment, work assignments, finished work products, awarded transactions, etc.;

- (g) Obtain written acceptance and verification (with client signatures) of services provided to its clients and any financings/contracts (source documentation required) obtained. For services reported, documentation must be in the MBEC's client files within thirty (30) days after the end of every quarter in which a client receives services;
- (h) Comply with all reporting requirements provided upon award;
- (i) Cooperate with MBDA in maintaining content for the Phoenix/Opportunity system, Resource Locator, and other available online tools located at [www.mbda.gov](http://www.mbda.gov);
- (j) Promote and utilize the services and resources of other MBDA programs, sponsored efforts and/or voluntary activities; and
- (k) Adhere to MBDA's trademark and licensing requirements for all forms of communication including but not limited to signage, stationary and other MBEC-related publications. Such requirements shall be provided at the time of award. These requirements include but are not limited to specific size, location, and font of the MBEC logo. A Communication's guide and MBEC logo will be made available to the project operator at the post-award conference.
  - Signage - Signs should be highly visible to the MBEC clients and general public. They should be prominently displayed on entrances or doors.
  - Printed Materials – These items shall include the name of MBDA on all stationery, letterhead, brochures, etc.
  - Internet Presence and Information – The MBEC is to maintain an Internet presence (*see* Appendix C, Information Technology and Computer Requirements) and shall include standardized language as provided by MBDA.
  - Telephonic Communication - Identify the MBEC immediately upon answering the telephone. If the operator's policies require that its organization's name be given, it should be provided only after the MBEC has been verbally identified to a caller. Refer to MBDA in all advocacy and outreach efforts such as speaking engagements, news conferences, etc.

The MBEC is not authorized to use either the Department of Commerce's (DOC) official seal or the MBDA logo in any of its publications, documents or materials without prior written approval from the Department of Commerce or from MBDA (as the case may be).

The term ***Minority Business Enterprise Center (MBEC)*** is a trademark of the Federal Government and the Government reserves exclusive rights in the term. Permission to use the term is granted to the project operator for the sole purpose of representing the activities of the operator in the fulfillment of the terms of the financial assistance award. The Minority Business Development Agency reserves the right to control the quality of the use of the term by the operator. In all printed materials, such as promotional literature and stationery, whenever ***Minority Business Enterprise Center***<sup>™</sup> is cited, the <sup>™</sup> must be used.

## Appendix B

### Performance Measures and Related Definitions

#### A. Performance Measures and Bonus Points

In accordance with 15 CFR Parts 14 and 24, the award recipient (project operator) will be responsible for the effective management of all functions and activities supported by the financial assistance award. The operator is required to use program performance measures in a performance report due forty-five (45) days after the end of the first semi-annual period and second semi-annual period. All performance reporting is conducted electronically via MBDA's portal. The operator is required to input progress/results to the performance database within seventy-two (72) hours from the time of service. The operator shall also provide an end-of-year assessment of the accomplishments of the project using these measures. The Year-End or Final Narrative Performance Report is due forty-five (45) days after the end of the funding year. The evaluation criteria and weighted-value for measuring MBEC project performance on an ongoing basis are as follows:

Performance Measure	Performance Points (at 100% Goal Achievement Level)	Performance Points (at 110% Goal Achievement Level - Maximum)
Dollar Value of Awarded Contracts and Procurements	27	29.7
Dollar Value of Awarded Financial Transactions	27	29.7
Increase in Sales	6	6.6
Number of Jobs Created	10	11.0
Number of New Clients Served	5	5.5
Administrative Management & Operational Quality	25	25.8
* Maintenance of SGI Client Portfolio;	(3 points)	(3.3 points)
* Customer Relationship Management;	(3 points)	(3.0 points)
* Management Assessment;	(3 points)	(3.0 points)
* Consulting Hours;	(3 points)	(3.3 points)

* Maintenance of Non-Federal Cost Share;	(3 points)	(3.0 points)
* Partnerships;	(5 points)	(5.0 points)
* Market Promotion;	(1 point)	(1.0 point)
* Resource Entries;	(2 points)	(2.2 points)
* Facilitated Matches	(2 points)	(2.0 points)
<b>Bonus Points</b>		<b>Bonus Points (Maximum)</b>
Bonus Points: * Joint Ventures; and/or * MBDA Special Initiatives		5 (total) (1 point per item) (1 point per initiative)
Total Points	100 points	113.3 maximum points

**The minimum performance goals required for the above performance measures are set forth in Section I.E., Minimum Performance Goals. The minimum performance goals are listed on an annual basis by MBDA and should be broken out into quarterly increments by the applicant in its proposal.**

MBDA encourages and rewards high achievement levels. Up to 110% of the maximum allowable points for most performance measures will be awarded, based on the extent to which the MBEC exceeds the minimum performance goal for the identified category. [For example, if the minimum performance goal for the Dollar Value of Awarded Contracts is \$12 million and the MBEC achieves \$13 million in this category, the operator will receive 29.25 bonus points ( $\$13 \text{ million} / \$12 \text{ million} \times 27 \text{ points}$ ). Alternatively, if the MBEC were to achieve \$20 million in this category, the operator would be limited by the 110% threshold and receive 29.7 bonus points ( $27 \text{ points} \times 110\%$ ).]

Under the Administrative Management and Operational Quality performance measure, the 110% maximum allowable point threshold is limited to the to each of the following sub-measures: (i) maintenance of SGI portfolio; (ii) consulting hours; and, (iii) resource entries. These items will be determined separately for each of these sub-measures based upon the extent to which the MBEC exceeds the minimum performance goals assigned to each sub-measure.

Under Bonus Points, an operator may earn up to 5 bonus points in each funding period for (a) achievements in assisting clients through joint ventures and (b) contributions in MBDA collaborative efforts (see Section B. Definitions, item #7 Performance Bonus).

The MBEC is required to utilize, in a good faith effort, all of its resources to achieve the stated goals. **Should the MBEC exceed its performance requirements prior to the end of a funding period, the MBEC is expected to maintain operations at full strength and continue to provide services and reach greater performance outcomes.**

MBDA views the MBEC as a designated cooperative partner and an envoy to the minority business community. Thus, high achievement in any one performance measure, cannot excuse failure to reach other goals as stated in this Announcement and may result in termination of the award.

**B. Definitions**

1. Dollar Value of Awarded Financial Transactions – The dollar value of transactions are defined as the total principal value of approved loans, equity financings, bonds, leases (property and equipment) or other binding financial agreements secured by clients of the project, with the assistance of MBEC staff. For purposes of this performance element, eligible financial transactions are those which have a specific dollar value, and which expand its capital base/operations, or produce some other direct commercial benefit for client firms. In order to be deemed complete, a financial transaction must be documented by an executed and binding agreement between the MBEC client (firm) and a party (financier) capable of performing its obligations under the terms of the agreement.
2. Dollar Value of Awarded Contracts and Procurements – This represents the total dollar value of successfully awarded contracts and/or the total principal value of executed sales/delivery contracts of services/products/intellectual rights and/or other binding financial considerations secured by clients of the project, with the assistance of project staff.

For purposes of this performance element, Dollar Value of Awarded Contracts and Procurements are those transactions which have a specific dollar value, and which produce a direct commercial benefit for the client firms. In order for a contract award to be considered for this performance requirement, the award must have been made as a direct result of MBEC activity.

MBDA recognizes that the financial obligations evidenced by these transactions may be long-term, and require the delivery of goods and services over an extended period. In some cases, the agreements may have been awarded as indefinite demand indefinite quantity. Consequently, it is not necessary that the funds or other financial value specified under the agreements have actually changed hands for the project to receive credit. In the case of multi-year and multiple-year awards (base and option years), the full contract value, including option years, can be claimed in the year the contract was signed. Non-single year contracts shall require the MBEC to communicate with the client, obtain proof of awards that were let on or prior to the end of the MBEC award period and to conduct an update in the MBDA performance system.

3. Increase in Sales – this represents the dollar value of sales that increased within a specific time frame due to the direct assistance provided by the MBEC. This value does not include contracts and procurements obtained.

This performance measure is designed to capture the value added by the MBEC to its client for business-to-consumer (i.e. retail, discount) markets. This performance element must be documented through an initial client assessment and the value of the sales increase shall be recorded in the MBDA Performance System (as supported by client documentation).

4. Number of Jobs Created – This is defined as the number of new full time and/or part time employment opportunities reported on the client’s payroll during the funding year. Persons on paid sick leave, paid holiday and paid vacations are included as employees as are salaried officers and executives of corporations. However, proprietors and partners of unincorporated business are not considered employees under this definition.
  
5. Number of New Clients – This represents the actual number of new clients in a funding period. “New clients” are defined as those MBEs that complete a written engagement with the MBEC for specific services and registered with the MBEC. Clients may be counted as “new clients” by the MBEC only once during the award period (i.e., April 1, 2008 – December 31, 2009); provided, that such client is not otherwise an active client of any other MBDA-funded project at the time of engagement.
  
6. Administrative Management & Operational Quality – Operational quality refers to the quality and effectiveness of the project operator’s delivery of client services and project scope, as evidenced by the following performance elements relating to the day-to-day management of the project:
  - a) Maintenance of SGI Client Portfolio - The Center shall be rated on the balance of SGI firms versus overall clients served. The MBEC must maintain the following ratio in order to achieve the specified points.

Year	Percent of SGI Firms Served & Allocated Points							
2009	50.0% (+)	3 Pts.	49.9-40.0%	2 Pts.	39.9-30.0%	1 Pts.	29.9% or less	0 Pts.
2010	60% (+)	3 Pts.	59.9-50.0%	2 Pts.	49.9-40.0%	1 Pts.	39.9% or less	0 Pts.
2011	70.0% (+)	3 Pts.	69.9-60.0%	2 Pts.	59.9-50.0%	1 Pts.	49.9% or less	0 Pts.

*Note: Percent SGI firms served shall account for all active clients served in current funding period.*

- b) Customer Relationship Management – This item refers to a process conducted by MBDA with the clients of the MBEC. MBDA shall verify the services rendered by the Center and gather qualitative information for client satisfaction. MBDA will utilize a survey tool. The MBEC must score at the following satisfaction ratings in order to be allocated the listed points.

Client Satisfaction	Points
80.0% or more	3
70.0% – less than 80%	2
60.0% - less than 70%	1
59.9% or less	0

- c) Management Assessment - The management assessment reflects MBDA's own evaluation of the overall management of the MBEC project, based on the Agency's internal review of the project's operations. The management assessment reflects such areas as the development of written engagement letters and work plans, proper staffing, adherence to scheduled work hours, recordkeeping, successful completion of Agency training, and any other areas which MBDA may deem to be relevant in determining the overall quality of the project's operations (see Appendix A., Section C.3., Operational Quality). Operators may also lose two points from the assessment if the MBEC staff fails to accumulate the required training credit hours. (See Appendix A., Section B.)
  
- d) Partnerships – The MBEC must establish and maintain five (5) strategic partnerships throughout the life of the award. These strategic partnerships must be documented in writing and be structured such that the relationship shall have a direct impact on the MBEC in order to assist the MBEC meet its performance goals and/or its non-federal cost share requirements. Performance points for this element will be allocated to the MBEC after MBDA has verified the completion of the activity. If a partner does not contribute to the MBEC's performance goal and/or its non-federal cost share requirements, the Center's score will be assessed accordingly. In addition to the minimum requirement of five (5) strategic partnerships, the MBEC operator must use its best efforts to partner and otherwise collaborate with MBDA and with other MBDA funded programs (intra-strategic partnerships). (See Appendix A, Section C.1.(d))
  
- e) Consulting Hours – This refers to the actual time spent by the MBEC when providing one-on-one and group counseling services to MBE clients. These hours shall relate to each MBE, as originated in the client engagement and tracked on the MBDA performance system. These hours shall be compared to the operator's originally proposed staff allocation summary. Points shall be allocated as a percentage of hours accomplished versus quarterly and cumulative goals.
  
- f) Maintenance of Non-Federal Cost Share – MBDA shall monitor the MBEC's rate of non-federal cost share throughout the funding period. The non-Federal share, whether in cash or in-kind, is expected to be paid out at the same general rate as the Federal share. Points shall be allocated as a percentage of reported accomplished versus quarterly and cumulative goals.
  
- g) Market Promotion – This represents the total number of successfully completed activities (per reporting period) as proposed in the applicant's response to this Announcement.

- h) Resource Entries – This is defined as the total quantity of accurate and timely records entered into MBDA’s Portal tools (e.g., Phoenix, Opportunity, Capital Locator, Resource Locator, etc.) in support of its efforts to disseminate information electronically. Points shall be allocated as a percentage of reported accomplished versus quarterly and cumulative goals.
- i) Facilitated Matches - Facilitated Matches represent the number of minority firms directed by the Center to strategic partners, the MBDA funded network, and other business resources that result in a financial transaction (as described above).
- Facilitated Matches are performance elements awarded under Administrative Management and Operational Quality. In other words, the Center submits documentation in support of a Facilitated Match to its MBDA representative. MBDA reviews the information and then assigns a point for each match.
  - Facilitated Matches can be issued to the Center for MBE clients as well as non-clients (provided they are MBEs and award is documented).

Any items reported under Dollar Value of Awarded Financial Transactions and/or Awarded Contracts and Procurements, and/or Jobs Created must:

- Originate from services (M&TA) provided to a client by the Center; and
- Services are documented via a written engagement & needs assessment (via needs analyzer).

Items that do not comply with these two fundamental items cannot be recorded under Dollar Value of Awarded Financial Transactions and/or Awarded Contracts and Procurements, and/or Jobs Created.

It is possible for the MBEC to count the dollar value of the transactions for clients AND THEN record the facilitated match. However, it is NOT possible for the NABAEC to count the dollar value of the transaction if recorded exclusively as a facilitated match without client service/engagement letter/etc.

7. Performance Bonus - MBDA’s overall mission is to foster the expansion of all minority firms in the U.S. economy. Historical data indicates minority-owned firms have yet to reach scalability in terms of size such that a discernable and nationwide impact can be measured by the U.S. Census Bureau. For example, in the 2002 Survey of Minority-Owned Businesses, the U.S. Census Bureau estimated nearly 4 million minority-owned firms however, only 3% of these firms generated more than \$1 million in annual revenues. Furthermore, prior

economic models project a continued expansion of the U.S. economy however MBE contribution levels as it relates to larger MBEs with annual revenues in excess of \$1 million remain stagnant.

In an effort to encourage the MBEC to work with and to help build larger MBEs, MBDA will provide performance bonus points for the following work activities and outcomes. The MBEC may earn up to a maximum of 5 points in any funding period as follows:

- a) Joint Ventures – MBDA is seeking to build MBE capacity through the establishment of competitive teams for federal/state/local government and private sector contracting opportunities. A MBEC will be awarded up to 1 bonus point for each successful joint venture that is formed through the direct assistance provided to its client and another (larger) business entity, that results in an awarded transaction (see above); and
- b) Participation and Successful Execution of MBDA Special Initiatives – On occasion, MBDA may issue a request for MBEC participation on special Agency and/or Department of Commerce initiatives. The Center may be asked and/or instructed to support MBDA in these special initiative efforts. MBDA shall reward the MBEC by allocating up to 1 bonus point per event. MBDA Special Initiatives shall be formally announced to the MBEC program as a whole, in further detail, and all MBEC's will have an opportunity to participate.

**Additional program definitions and operating procedures are set forth in the MBEC Program Handbook (Handbook), which will be incorporated by reference into each MBEC award and applicable to each MBEC operator. Applicants may access the Handbook via the MBDA Business Internet Portal ([www.mbda.gov](http://www.mbda.gov)).**

## Appendix C

### **Information Technology and Computer Requirements**

MBDA requires that all project operators meet certain requirements related to the acquisition, installation, configuration, maintenance and security of information technology (IT) assets *within thirty (30) days after receipt of the award*, in order to ensure seamless and productive interface between and among all grant recipients, minority-owned businesses, the MBDA Federal IT system and the public. These required assets and their configuration are hereinafter referred to as the “enterprise.” The basic components of the enterprise are the desktop workstations, the server, local area network (LAN) components and a connection to the Internet.

At a minimum, the operator shall provide one (1) desktop computer for the exclusive use of each employee delivering minority business assistance to the public under an award from MBDA. All desktop computers shall be connected to a client/server network using an Ethernet protocol enabling communication with all workstations on the operator’s network. The server shall have a constant, high-speed broadband Internet connection. The grantee shall ensure that each of its employees, to include management, administrative personnel, contractors, full-time, part-time, and non-paid (volunteer) staff have a unique electronic mail (email) address that is available to the public. The operator shall design, develop and maintain, in accordance with the computer requirements, a presence on the Internet’s World Wide Web and shall maintain appropriate computer and network security precautions during all periods of funding by MBDA. All IT requirements, as described herein, shall be met within thirty (30) calendar days after the award.

*An operator’s failure to adhere to the MBEC computer requirements as set forth herein may result in enforcement action under the award, including but not limited to the withholding of award payments until full compliance is reached.*

#### **A. Network Design**

At all locations where services are delivered to the eligible public as defined by Executive Order 11625, the project operator shall operate a Client Server Network that provides shared disk drives and the setup of print queues for a network printer(s) (if individual printers are not provided) for each staff person delivering services to the eligible public. MBDA shall, from time to time, specify certain configurations of the enterprise hardware and software to meet interface requirements.

Currently, MBDA recommends servers using an operating system that is fully compatible with Microsoft Windows 2003. Any server providing principal service to the desktops shall contain 200 or more gigabytes (GB) of hard drive space using two or more disks configured appropriately to ensure data retention should one disk fail. At least one (1) Dual-Core Intel central processing unit (CPU) or any other server providing principal service to the desktops shall be used. Web servers, mail servers and/or servers maintained by a third party such as an Internet Service Provider (ISP) shall meet the minimum server specifications as stated herein.

## **B. Desktop Workstations**

All desktop systems shall not be more than two (2) calendar years old at time of award and shall contain an Intel Cores Duo Processor class central processing unit (CPU), operating at speeds not less than 2.33 Gigahertz (GHz). Each desktop system shall contain a hard drive with a storage capacity of at least eighty (80) GB and 1 Gigabyte (GB) of RAM and a CD or DVD reader/writer. All desktop systems shall have installed an operating system fully compatible with Microsoft Windows XP Professional or higher Operating System, MS Office 2003 Professional or higher, Microsoft Internet Explorer 7.x, Anti-Virus software, software or hardware-based Firewall and Adobe Reader 8.1 or higher. Additionally, it is suggested that a full-page scanner, along with software fully compatible with Adobe Acrobat (Standard or Professional, 8.0 or higher) be installed on at least one workstation for the production of electronic document submissions.

## **C. Maintenance and Security**

A network map (“as-built”) reflecting adherence to the computer and networking requirements set forth herein shall be maintained by the project operator for review by MBDA at any time. Each operator shall designate and train one administrative person competent in the operation of an Operations System fully compatible with Windows 2003 network (or higher) and local area network (LAN) technology as described herein. From time to time, MBDA may require that certain software be loaded on servers and desktops. In any given year, the cost of this additional software may be \$300.00 per workstation and \$600.00 per server.

Every employee of the MBEC shall be assigned a unique username and password to access the network. Every employee shall be required to sign a written computer security agreement (a suggested format for the computer security agreement will be provided at the time of award and/or on the MBDA Portal (website)). Every manager, employee, and contractor and any other person given access to the computer system shall sign the security agreement and an original copy of the signed agreement shall be kept in the MBEC files. A photocopy of the signed agreement shall be submitted to MBDA, no later than thirty (30) days after receipt of the award. The original agreement shall be maintained on file by the project operator. All subsequent new hires and associations requiring access to the MBEC or MBDA systems shall read, understand, and sign the security agreement prior to issuance of a password. No employee shall have access to any MBDA system(s) without a signed security agreement on file at MBDA.

## **D. Web Site**

The operator shall create and maintain a public web site using a unique domain/address (e.g., [www.center-name.com](http://www.center-name.com)), that will conform to MBDA web standards (A comprehensive listing of MBDA web standards can be found on the MBDA Portal). MBDA Web standards may include, *but are not limited to the following*:

- The first page (Index page) of the web site shall *clearly* identify the project as a Minority Business Enterprise Center funded by the U.S. Department of

Commerce's Minority Business Development Agency. The index page of the web site shall load on software fully compatible with Microsoft Internet Explorer 7.x browser software using a normal home computer with 56 Kb/s analog phone-line connection in less than five (5) seconds.

- The web site shall contain a "Contact" page with the names of all managers and employees, the business and mailing address of the MBEC, business phone and fax numbers and email addresses of the MBEC and employees, a statement referencing the services available at the MBEC, the hours under which the MBEC operates and a link to the MBDA homepage at [www.mbda.gov](http://www.mbda.gov).
- For purposes of electronically directing clients to the appropriate MBEC staff, the project web site shall also contain a short biographical statement for each employee of the MBEC including management, contractors, part-time, full time, and non-paid (volunteer) personnel, providing services directly to the eligible public under an award from MBDA. This biographical statement shall contain:
  - the full name of the employee, and
  - a brief description of the expertise of the employee to include academic degrees, certifications and any other pertinent information with respect to that employee's qualifications to deliver minority business assistance services to eligible members of the public.
- No third party advertising of commercial goods and services shall be permitted on the site. All links to websites other than federal, state or local government agencies and non-profit educational institutions must be requested, in advance and in writing, through the MBDA CIO of the Office of Information Technology, Research and Innovation and the website must provide an external link policy or notice stating that they will be redirected to an external website. Specifically, a notice similar to the following must be provided:

*The appearance of hyperlinks to other sites does not constitute endorsement by the [operator's company name] or by the Minority Business Development Agency of these web sites or the information, products or services contained therein. Regarding such external web sites, we do not exercise any editorial control over the information you may find at these locations. These links are provided consistent with [operator's company name] stated purpose as shown on our web site. We recommend that you review the website's information collection policy or terms and conditions to fully understand what information is collected and/or provided.*

- Furthermore, the approval for the placement of such links shall not be unreasonably withheld but is subject to withdrawal if MBDA determines the linked site is unsuitable. No employee of the Program Operator, nor any other person, shall use the MBEC web site for any purpose other than that approved under the terms of the agreement between the project operator and MBDA.

- Every page of the web site shall comply with Federal standards of the American With Disabilities Act, Section 508, and be reviewed by the operator for accuracy, currency, and appropriateness every three (3) months. In addition, MBDA's Section 508 Officer may occasionally review the project web site to ensure that it is Section 508 Compliant. For additional information and guidelines, please visit [www.section508.gov](http://www.section508.gov). Appropriate privacy notices and handicapped accessibility will be predominately featured. In general, MBDA may audit the project web site and recommend changes in accordance with the guidelines set forth herein.
- The project operator will also be responsible for informing the MBDA CIO of the Office of Information Technology, Research and Innovation and to the MBDA MBEC Program Manager of any changes operating changes such as location, contact information or otherwise.

**E. Time for Compliance Regarding IT Requirements**

*Within thirty (30) days after receipt of the award*, the project operator shall report via email to the Federal Program Officer and the MBDA CIO of the Office of Information Technology, Research and Innovation and to the MBDA MBEC Program Manager that he/she has complied with all technical requirements as specified herein (a checklist will be provided at the Post Award Conference). Within thirty (30) days after receipt of the award, the operator shall report the name, contact telephone number and email address of the Project Director, Network or System Administrator.

**F. Performance System**

All required performance reporting to MBDA shall be conducted via the Internet using the Performance system to be found at a secure web site ([www.mbda.gov](http://www.mbda.gov)).

**G. Data Integrity**

The project operator shall take the necessary steps to ensure that all data entered into MBDA systems, and systems operated by the operator in support of the award, or by any employee of the operator is verified, accurate and timely.

## Appendix D

### Content and Format of Application

Applicants are encouraged to review the sample MBEC application materials available via the MBDA Business Internet Portal ([www.mbda.gov](http://www.mbda.gov)) for additional guidance.

In preparing the program narrative and accompanying documentation, applicants should carefully consider the: (i) work and training requirements set forth in Section I.B and Appendix A; and (ii) the minimum performance goals set forth in Section I.E. Applicants should also review the application evaluation criterion set forth in Appendix E.

A complete application, whether filed in paper format or electronically, should contain the below information in the following order:

- A. **Cover Page:** At a minimum the application cover page must provide the applicant's name, address, telephone number, email address (if any), date of submission and the MBEC project for which the applicant is applying.
- B. **Table of Contents:** Applicants should outline the full contents of the application and provide corresponding page numbers. Applicants should number all pages of the application consecutively.
- C. **Program Narrative:**
  1. **Applicant Capability** – In addition to addressing each of the sub-criteria stated in Appendix E, Section A.1, applicants should include a detailed narrative discussion of its: (i) organizational background information; (ii) prior experience in working with SGI minority firms; (iii) delivery of applicable services (as outlined in this FFO) in the geographical service area; and (iv) related successful client outcomes. In particular, applicants should provide a market assessment in support of its application and include its prior experiences with assisting minority-owned firm with respect to supply chains.

Applicants should also submit a summary plan (approximately 2-3 pages in length) describing how it would leverage MBDA funds to help create a self-sustainable service model for continued services to the minority business communities beyond the three-year MBEC award period. In preparing this section of the program narrative, it is important that the applicant demonstrate its capabilities as they pertain to the MBEC work requirements and performance goals outlined in this FFO.

Attachments: The applicant must include: business and staff organization charts; original, signed commitment letters from proposed third-party, in-kind contributors; a resume setting forth the qualifications of the project director, along with an official college transcript, as appropriate; original commitment letter from the proposed project director; resumes of other key individuals who will be involved in operating the MBEC; position descriptions (together with qualification standards and salary ranges for all staff). Applicants must also provide a copy of their Articles of Incorporation, by-laws and IRS § 501(c)(3) tax-exempt letter or other evidence of non-profit status (as applicable).

2. Resources – In addition to addressing each of the sub-criteria stated in Appendix E, Section A.2, applicants should include a detailed narrative discussion of the internal and external resources (e.g., strategic partners) that are expected to be leveraged by the applicant in implementing its program. For this purpose, the applicant’s non-federal cost share should be discussed as part of the program’s proposed budget and not as part of the program resources. Finally, the applicant should discuss how it plans to satisfy the MBDA-required IT and computer requirements.

Attachments: The applicant should include original commitment letters from those resources listed indicating their willingness to work with the applicant. These resources can include such items as facilities, equipment, voluntary staff time and space, and financial resources. One to two letters of support (with contact information) from prior assisted larger minority firms and community organizations should be included from those resources willing to work with the applicant. The applicant should also provide a general description of its existing client base as part of its program resources.

3. Techniques and Methodologies – In addition to addressing each of the sub-criteria stated in Appendix E, Section A.3, applicants should include a detailed narrative discussion on the techniques and methodologies to be used in implementing its program, including a quarterly breakdown of the performance goals and estimated client service hours delivered to clients (by MBE annual sales range). These hours must correspond to the applicant’s proposed budget. It is also requested that the applicant provide a statement as how they propose to establish a system that corresponds to or may compliment MBDA’s tracking and validating contracts and financings as discussed in Appendix B. Applicants should also include a specific plan-of-action detailing how the MBEC work requirements will be met for EACH of the three (3) funding periods. The applicant should define how it plans to service the designated geographic area, including how the MBEC will be established; the methodology for accomplishing the work requirements; implementation of strategies with timelines; and how the applicant will integrate the work requirements with the MBEC program performance measures. It is also important that the application include information on how the applicant will integrate the MBEC

program service requirements to its existing infrastructure. Applicants should develop and submit a proposed marketing plan as part of their proposal responding to this criterion. This plan should be strategic in order to maximize the number of SGI firms it will serve throughout the funding period.

Attachments: The applicant must provide a staff allocation summary for the EACH of the three (3) funding periods as part of the work requirements execution plan. The staff allocation summary must be based on a project director at 100% of his/her time to the MBEC, all other staff, volunteers and interns. The applicant is encouraged to provide administrative support staff to the MBEC. Each staff role must be identified as full or part-time with the estimated hours to be worked on weekly basis. The staff allocation summary should indicate each role and the estimated client-service hours to be delivered by each. The following is an example of the staff allocation summary for the first 12-month funding period:

*Example: Staff Allocation Summary – Funding Period 1*

Role	Status	Project Allocation	Hours	Client Consulting		Admin Time		Other (List Here) Time	
				Hrs & %	Hrs & %	Hrs & %	Hrs & %	Hrs & %	Hrs & %
Project Director	Full Time	100%	2,050	410	20%	1,025	50%	615	30%
Business Consultant	Full Time	100%	2,050	1,640	80%	205	10%	205	10%
Business Consultant	Part Time	80%	1,640	1,312	80%	164	10%	164	10%
Admin. Asst.	Full Time	100%	2,050	0	0%	2,050	100%	0	0%
Intern	Part Time	50%	1,025	103	10%	820	80%	103	10%
<b>Total</b>			<b>8,815</b>	<b>3,465</b>	<b>39%</b>	<b>4,264</b>	<b>49%</b>	<b>1,087</b>	<b>12%</b>

*Note: Client consulting time is actual billable hours (if the applicant has chosen to bill clients) and should correspond to the budget narrative.*

4. Proposed Budget and Budget Narrative – In addition to addressing the sub-criteria stated in Appendix E, Section A.4, applicants must submit an operating plan and budget for EACH of the three (3) funding periods under the award, which are anticipated to be: (i) January 1, 2009 – December 31, 2009; (ii) January 1 – December 31, 2010; and, (iii) January 1 – December 31, 2011. All proposed budget items must be accompanied by a narrative explanation, on a line-item basis.

The **Federal contribution to the budget is non-negotiable**. The amount of Federal funds designated for the award (as set forth in Section II.A. of this FFO) must not be exceeded in the proposed project budget.

Costs must be proposed, on a per-event, per-person, per-item (e.g., taxi from airport to hotel) basis for all travel. In particular, each of the training events set forth in Appendix A, Work and Training Requirements, must be budgeted for, as indicated. If a venue for an event is not stated, applicants are to assume that the event will be held in Washington, D.C. Applicants may include training costs under federal and/or non-federal cost share.

Non-federal cost share must be itemized on the SF-424A, the program line-item budget and in the budget narrative. All third-party, in-kind contributions must be supported by an original and signed commitment letter from those resources. Failure to provide this document may result in the disallowance of the amount proposed and evaluation points to be reduced.

NOTE: Applicants must provide for how client fees will be used to meet the non-federal cost share. Client fees must be consistent with the amount and types of clients to be served as outlined in this FFO. If proposed, client fees must be charged to all eligible clients regardless of minority group identification.

The applicant should take great care in projecting the number of hours it will serve clients. It is highly recommended that the applicant estimate the type of client it anticipates serving (by sales range). It should then break-out the type of services it may provide its clients followed by the estimated number of hours to complete tasks (i.e. consulting services, loan packaging, bid preparation assistance, etc.). These hours can then be multiplied by the client fee rate (as listed above). Individual sums should be tallied and result in a total estimate of anticipated fees billed in the funding period. The number of consulting hours must match the total staff allocation summary for consulting hours. This information should be outlined for the funding period and should be included in the applicant's methodology for estimating the amount of fees to be billed and to be collected.

It is also important to note that in some cases the MBEC may apply a fee waiver policy and/or accounts not collectable. The applicant must indicate, for each of the funding periods, at what point fees are charged to its clients (e.g., upon completion of work assignment and/or successful completion of awarded transaction) and how it intends to collect fees. These items should be taken into consideration and discussed in the budget narrative.

- D. Standard Forms:** The application must contain the following Standard Forms (SF): (i) **SF-424** - Application for Federal Assistance (one form to cover all three funding periods); (ii) **SF-424A**, Budget Information-Non-Construction Programs;

(iii) **SF-424B**, Assurances-Non-Construction Programs; and (iv) **SF-LLL**, Disclosure of Lobbying Activities (if applicable).

**E. Department of Commerce Forms:** The application must contain the following Department of Commerce (CD) form: **CD-511**, Certification Regarding Lobbying.

**F. Application Submission Checklist:** The following application submission checklist is guide for applicants and should not be submitted as part of a MBEC application:

- Cover Page**
- Table of Contents**
- Program Narrative**
  - Applicant Capability**
  - Resources (one for each funding period)**
  - Techniques and Methodologies (one for each funding period)**
  - Proposed Budget (one for each funding period)**
  - Proposed Budget Narrative (one for each funding period)**
  - Plan of Action (for first 30 day start-up)**
  - Staff Allocation Chart (one for each funding period)**
  - Computer Network Map**
  - Original Letters of Commitment for In-Kind Contributors**
- Standard Forms**
  - SF – 424 (one to cover all three funding periods)**
  - SF – 424 A (one for each funding period)**
  - SF – 424 B (one to cover all three funding periods)**
  - SF – LLL**
- Commerce Department Forms**
  - CD 511**
- All pages numbered**
- All original forms signed in blue ink (if paper submission)**
- Letters of Commitment**
  - Proposed Project Director**
  - Proposed Partners**
- Letters of Support**

## APPENDIX E

### Evaluation Criterion and Selection Procedures

#### A. Evaluation Criterion

Proposals will be evaluated and applicants will be selected based on the below evaluation criterion. The maximum total number of points that an application may receive is 105, including the bonus points for exceeding the minimum required non-federal cost sharing, except when oral presentations are made by applicants. If oral presentations are made (see below: Oral Presentation - Optional), the maximum total of points that can be earned is 115. The number of points assigned to each evaluation criterion will be determined on a competitive basis by the MBDA review panel based on the quality of the application with respect to each evaluation criterion.

**Applicants are encouraged to review the MBDA Panel Evaluation Tool, which is accessible via the MBDA Business Internet Portal ([www.mbda.gov](http://www.mbda.gov)).**

#### 1. **Applicant Capability (40 points)**

Proposals will be evaluated with respect to the applicant's experience and expertise in providing the work requirements listed. Specifically, proposals will be evaluated as follows:

- a) Community - Experience in and knowledge of the minority community, minority business sector, and strategies for enhancing its growth and expansion; particular emphasis shall be on expanding SGI firms. Consideration will be given as to whether the applicant has a physical presence in the geographic service area at the time of its application (4 points);
- b) Business Consulting - Experience in and knowledge of business consulting with respect to minority firms, with emphasis on SGI firms in the geographic service area (5 points);
- c) Financing - Experience in and knowledge of the preparation and formulation of successful financial transactions, with an emphasis on the geographic service area (5 points);
- d) Procurements and Contracting - Experience in and knowledge of the public and private sector contracting opportunities for minority businesses, as well as demonstrated expertise in assisting clients into supply chains (5 points);
- e) Financing Networks - Resources and professional relationships within the corporate, banking and investment community that may be beneficial to minority-owned firms (5 points);

- f) Establishment of a Self-Sustainable Service Model – Summary plan to establish a self-sustainable model for continued services to the MBE communities beyond the MBDA award period (3 points);
- g) MBE Advocacy - Experience and expertise in advocating on behalf of minority communities and minority businesses, both as to specific transactions in which a minority business seeks to engage and as to broad market advocacy for the benefit of the minority community at large (3 points); and
- h) Key Staff - Assessment of the qualifications, experience and proposed role of staff that will operate the MBEC. In particular, an assessment will be made to determine whether proposed key staff possess the expertise in utilizing information systems (*see* Appendix C, Information Technology and Computer Requirements) and the ability to successfully deliver program services (*see* Appendix A, Work and Training Requirements). At a minimum the applicant must identify a proposed project director. (10 points).

**2. Resources (20 points)**

The applicant’s proposal will be evaluated as followed:

- a) Resources - Resources (not included as part of the non-federal cost share) that will be used in implementing the program, including but not limited to existing prior and/or current data lists that will serve in fostering immediate success for the MBEC (8 points);
- b) Location – Assessment of the applicant’s strategic rationale for the proposed physical location of the MBEC. Applicant is encouraged to establish a location for the MBEC that is in a building which is separate and apart from any of the applicant’s existing offices in the geographic service area (2 points);
- c) Partners – How the applicant plans to establish and maintain the network of strategic partners and the manner in which these partners will support the MBEC in meeting program performance goals (5 points); and
- d) Equipment – How the applicant plans to satisfy the MBEC information technology requirements, including computer hardware, software requirements and network map (*see* Appendix C, Information Technology and Computer Requirements) (5 points).

**3. Techniques and Methodologies (20 points)**

The applicant’s proposal will be evaluated as follows:

- a) Performance Measures – For each of the three (3) funding periods, the manner in which the applicant relates each performance measure to the financial

information and market resources available in the geographic service area (including existing client list); how the applicant will create MBEC brand recognition (marketing plan); and how the applicant will satisfy program performance goals. In particular, emphasis may be placed on the manner in which the applicant matches MBEC performance goals with client service hours and how it accounts for existing market conditions in its strategy to achieve such goals (10 points);

- b) Start-up Phase – How the applicant will commence MBEC operations within the initial 30-day period. The MBEC shall have thirty (30) days to become fully operational after an award is made (*see* Appendix A, Work and Training Requirements) (3 points); and
- c) Work Requirement Execution Plan - The applicant will be evaluated on how effectively and efficiently staff time will be used to achieve the work requirements, particularly with respect to periods beyond the start-up phase. (*see* Appendix A, Work and Training Requirements) (7 points).

#### **4. Proposed Budget and Budget Narrative (20 points)**

The applicant's proposal will be evaluated as follows:

- a) Reasonableness, Allowability and Allocability of Proposed Program Costs. All of the proposed program costs expenditures should be discussed and the budget line-item narrative must match the proposed budget. Fringe benefits and other percentage item calculations should match the proposed budget line-item and narrative (5 points);
- b) Non-Federal Cost Share. The required 20% non-Federal share must be adequately addressed and properly documented, including but not limited to how client fees (if proposed) will be used by the applicant in meeting the non-federal cost-share (*see* Section III.B., Non-Federal Cost Sharing Requirements) (5 points); and
- c) Performance-Based Budgeting. The extent to which the line-item budget and budget narrative relate to the accomplishment of the MBEC work requirements and performance measures (*i.e.*, performance-based budgeting) (10 points).

Bonus for Non-Federal Cost Sharing (maximum of 5 points): Proposals with non-federal cost sharing exceeding 20% of the total project costs will be awarded bonus points on the following scale: more than 20% - less than 25% = 1 point; 25% or more - less than 30% = 2 points; 30% or more - less than 35% = 3 points; 35% or more - less than 40% = 4 points; and 40% or more = 5 points.

Non-federal cost sharing of at least 20% is required under the MBEC Program. Non-federal cost sharing is the portion of the total project cost not borne by the

Federal Government and may be met by the applicant in any one or more of the following four means (or a combination thereof): (1) client fees; (2) cash contributions; (3) non-cash applicant contributions; or, (4) third party in-kind contributions. *See* Section III.B., Non-Federal Cost Sharing Requirements.

## **5. Oral Presentation - Optional (10 points)**

Oral presentations are optional and held only when requested by MBDA. This action may be initiated for the top two (2) ranked applications. Oral presentations will be used to establish a final evaluation and ranking.

The applicant's presentation will be evaluated as to the extent to which the presentation demonstrates:

- a) How the applicant will effectively and efficiently assist MBDA in the accomplishment of its mission (2 points);
- b) Business operating priorities designed to manage a successful MBEC (2 points);
- c) A management philosophy that achieves an effective balance between micromanagement and complete autonomy for its Project Director (2 points);
- d) Robust search criteria for the identification of a Project Director (1 point);
- e) Effective employee recruitment and retention policies and procedures (1 point); and
- f) A competitive and innovative approach to exceeding performance requirements (2 points).

## **B. Review and Selection Process**

### **1. Initial Screening**

Prior to the formal paneling process, each application will receive an initial screening to ensure that all required forms, signatures and documentation are present. An application will be considered non-responsive and will not be evaluated by the review panel if it is received after the closing date for receipt of applications, the applicant fails to submit an original, signed Form SF-424 by the application closing date (paper applications only), or the application does not provide for the operation of a MBEC. Other application deficiencies may be accounted for through point deductions during panel review.

### **2. Panel Review**

Each application will receive an independent, objective review by a panel qualified to evaluate the applications submitted. The review panel will consist of at least 3 persons, all of whom will be full-time federal employees and at least one of whom will be an MBDA employee, who will review the applications for a specified project based on the above evaluation criterion. Each reviewer shall evaluate and provide a score for each proposal. Each project review panel (through the panel Chairperson) shall provide the MBDA National Director (Recommending Official) with a ranking of the applications

based on the average of the reviewers' scores and shall also provide a recommendation regarding funding of the highest scoring application.

### **3. Oral Presentation - Upon MBDA Request**

MBDA may invite the two (2) top-ranked applicants to develop and provide an oral presentation. If an oral presentation is requested, the affected applicants will receive a formal communication (via standard mail, e-mail or fax) from MBDA indicating the time and date for the presentation. In-person presentations are not mandatory but are encouraged; telephonic presentations are acceptable. Applicants will be asked to submit a PowerPoint presentation (or equivalent) to MBDA that addresses the oral presentation criteria set forth above. The presentation must be submitted at least 24 hours before the scheduled date and time of the presentation. The presentation will be made to the MBDA National Director (or his/her designee) and up to three senior MBDA staff who did not serve on the original review panel. The oral panel members may ask follow-up questions after the presentation. MBDA will provide the teleconference dial-in number and pass code. Each applicant will present to MBDA staff only; competitors are not permitted to listen (and/or watch) other presentations.

All costs pertaining to this presentation shall be borne by the applicant. MBEC award funds may not be used as a reimbursement for this presentation. MBDA will not accept any requests or petitions for reimbursement.

The oral panel members shall score each presentation in accordance with the oral presentation criterion provided above. An average score shall be compiled and added to the score of the original panel review.

### **4. Final Recommendation**

The MBDA National Director makes the final recommendation to the Grants Officer regarding the funding of one application under this competitive solicitation. MBDA expects to recommend for funding the highest ranking application, as evaluated and recommended by the review panel and taking into account oral presentations (as applicable). However, the MBDA National Director may not make any selection, or he may select an application out of rank order for the following reasons:

- (a) A determination that an application better addresses one or more of the funding priorities set forth in Section I.G. of this FFO. The National Director (or his/her designee) reserves the right to conduct one or more site visits (subject to the availability of funding), in order to make a better assessment of an applicant's capability to achieve the funding priorities; or
- (b) The availability of MBDA funding.

Prior to making a final recommendation to the Grants Officer, MBDA may request that the apparent winner of the competition provide written clarifications (as necessary) regarding its application.